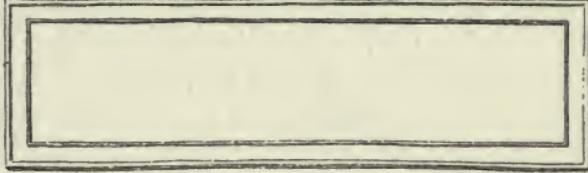
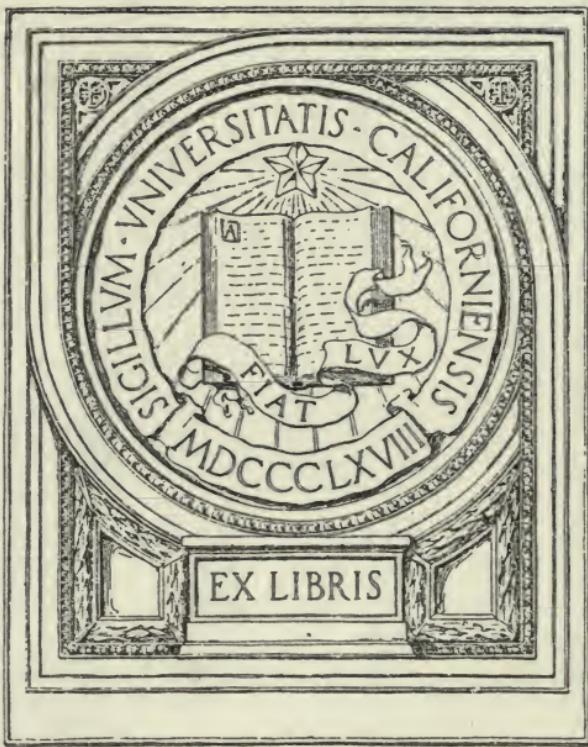


\$B 280, 466

JOHN SMITH'S
BOOKKEEPING
R.T. PORTE





**John Smith's
Bookkeeping**



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JOHN SMITH'S BOOKKEEPING

By R. T. PORTE

Author of

The Practical Cost System for Printing Offices

How to Figure Costs in a Printing Office

The Printers of Chiapolis

Compiler of

The Franklin Printing Price List



Published by

PORTE PUBLISHING COMPANY

SALT LAKE CITY
UTAH

TO MARY
ANNOUNCED

HF5686
P8 P62

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By R. T. PORTE
SALT LAKE CITY
UTAH



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The Inland Printer



First Edition
May 1, 1922

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INTRODUCTION

FOR the past year or two, numerous requests have come to the editor of *The Inland Printer* and to the writer for a simple method of keeping books for the country publishers and the small job-printer. An awakening has taken place in the printing industry, due to agitation along cost-finding and price-making lines, and showings made by surveys, all of which, whether correct or not, has had a tendency to make the printer sit up and take notice, and to feel that perhaps after all something was the matter with the printing business.

Nearly all printers and publishers have some method of keeping track of their accounts, but few, if any, can tell at the end of the month, and be able to prove their figures, whether they have made any money.

Now, the writer is not an "accountant," nor does he claim to be a bookkeeper—in fact, like all good printers, he hates bookkeeping. But he realizes that some record must be kept which will show a printer "where he is at."

After investigating some hundreds of systems, of very simple and very complex natures, he has chosen as one example, a printer whom he shall call John Smith, who took over an old plant and had his friend the cashier of the bank help him put it on a paying basis.

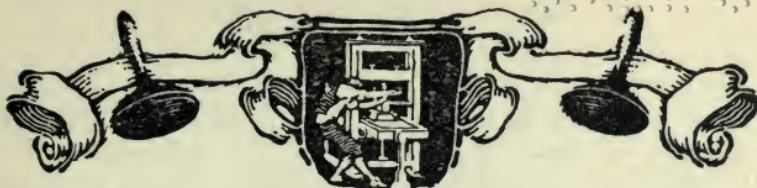
This story of John Smith is mostly true, although it was not entirely the bookkeeping system that made him and his partner independent, as he in time put in a cost system, and the general systematizing that followed as a result of the installation of the cost system improved conditions so that C. O. D.'s, payrolls, and other things troubled him no more.

Let us, without further comment, start in at the beginning, and see just how John Smith did things.

R. T. PORTE

Salt Lake City, May, 1922

Taking an Accounting



John Smith's Bookkeeping

R. T. PORTE



I

TAKING AN ACCOUNTING

THE *Bladon Banner* was, and still is, a typical country newspaper, like unto some 15,000 published in all parts of the United States. Some others were better papers, and many were poorer papers, but it had struggled along for ten years under the guiding hand of Jefferson Bell, a scholar and editor. For nine of those years, John Smith was the mainstay of the mechanical force. At times some boy of the village assayed the "devil" part of the "force," but on not getting his pay promptly when due he usually quit and went to work at something more profitable, and where returns were more sure.

Bell could write a good editorial, a spirited and hot attack upon his contemporary in the next town who sometimes came over and solicited job-work in Bladon, and thus hurt the little income of the *Banner*.

He could write a good three-line "local," and in the issue immediately following the Fourth of July spread himself in a two-column story of the "celebration."

The paper consisted of some five columns of local and editorial news, two columns of patent-medicine reading notices, which the various "devils" practiced upon in learning to set type, some twelve or fourteen columns of display advertisements, and the balance was plate matter. Four of the "inside" pages consisted of "patent in—" excuse me, I mean "ready prints" or "auxiliary service," giving it the new name.

No two persons could be more unlike than Jefferson Bell and John Smith. Bell, the owner, should have been the business man, but he was far from that. We need make but one mention of his business methods to show just what kind of business man he was. A subscriber paid him a dollar on account on the street, and Bell put it in his pocket and promptly forgot all about it. The paper continued to go to the subscriber, but the label still bore the same old date.

To go into a long account of the many business crimes committed by Bell would tire anyone, as it was the old, old story of lack of method and a hit-and-miss way of doing things. The "insides" came C. O. D., and usually it meant a hard scramble to pay the \$5.64 weekly. Paper came the same way, and payday often went by without John Smith receiving his money.

John was young, not married, had a room in back of the shop, and made little if any complaint. He had something else, however, and that was a little black

book, and each Saturday he spent an hour or so of careful studying and figuring.

It was very common talk among the inhabitants of the village about the friendship of the cashier of the bank and John Smith, the "Printer" at the *Banner* office.

The life of a country newspaper and its editor is much like that of the proverbial cat and its nine lives, but the end is inevitable, and when the first episode of the apparent finish of the *Banner* occurred it almost overwhelmed Jefferson Bell. In an evil moment Bell had borrowed some money from the bank. It kept him busy for eight years paying the interest. Then three years after that, being in hard straits and with prospects of losing his business looming up, he listened to the siren talk of a "contest manager" and put on a contest. The results were a thousand dollars in the pocket of Bell, another thousand in the pocket of the contest manager, and a thousand paid-in-advance subscribers, some for ten years. To settle for the "prizes" several advertising contracts were given for a year or two without pay. Some of the bills and accounts were cancelled.

All went merry for a time, but as year passed year, the pinch began to be felt again. No money was received in payment for many advertisements; receipts for subscription accounts were few, as most had paid up and those who did not pay showed subscription receipts for moneys the contest manager had failed to mention.

John Smith still set the type, smiled, and said little, but kept the paper alive. He did job-work, made most

of the prices, which the proprietor sometimes cut as "being too high," saying the people would not stand for it.

Political years helped out at times, but expenses kept creeping up, and the interest had to be paid.

One morning as Bell passed the bank, the president called him in, and mentioned that the mortgage and other money was due. Then followed a long conversation, and Bell went out much worried.

He sat in his office chair a much depressed man, and the world looked blue to him. Presently he looked up, and in front of him stood his printer.

"Mr. Bell," John began, "I think I know what is the matter."

"Oh, you do," Bell answered, with sarcasm, "and I suppose you, too, want some money."

"Well," John answered, "one never refuses what is justly due him, but if you do not have what is due me, perhaps we can come to some understanding."

"All I know," Bell said, "is that the bank wants its money, I owe you God knows how much, and I haven't a cent."

Then John began to talk, and before he had gone very far, Bell sat up straight in his chair and stared with amazement, though hardly understanding just what John was saying.

John produced his book, and quoted figures. He had worked so many weeks, and had received so much money, all set down in order, and the balance due him was a very considerable sum. Then he produced another book with the bank's name on it, and the differ-

ence between the two figures—in fact there was only one row of figures—quite astonished Bell.

Another page of the book was shown with figures something like this:

Office furniture	\$ 251.65
Composing room	1,246.32
Job presses	941.84
Cylinder	1,502.85
Bindery	651.84
<hr/>	
Total	\$4,594.50

Bell gazed at the figures and asked some questions, and then John presented other figures.

"Well," said Bell, after looking at all the figures, "it looks as though you know more about this business than I do. What is the answer?"

"Mr. Bell," John explained, "you are a good editor, but if I may say so, you are a poor business man. I guess that my talent runs to figures. I liked to do sums and to figure things out when I went to school. You are not that kind. This business can be put on its feet and made to pay, but not if run the way it has been. You owe the bank and me over \$2,500. You can't pay. The plant is worth about \$4,500. Let's call the good will \$500. You owe no one, because—well, we will let that matter rest. Very few owe you. You may have some personal accounts, but that has nothing to do with the *Banner*.

"Here is what I propose to do. I have enough money to pay the bank. You owe me enough to make

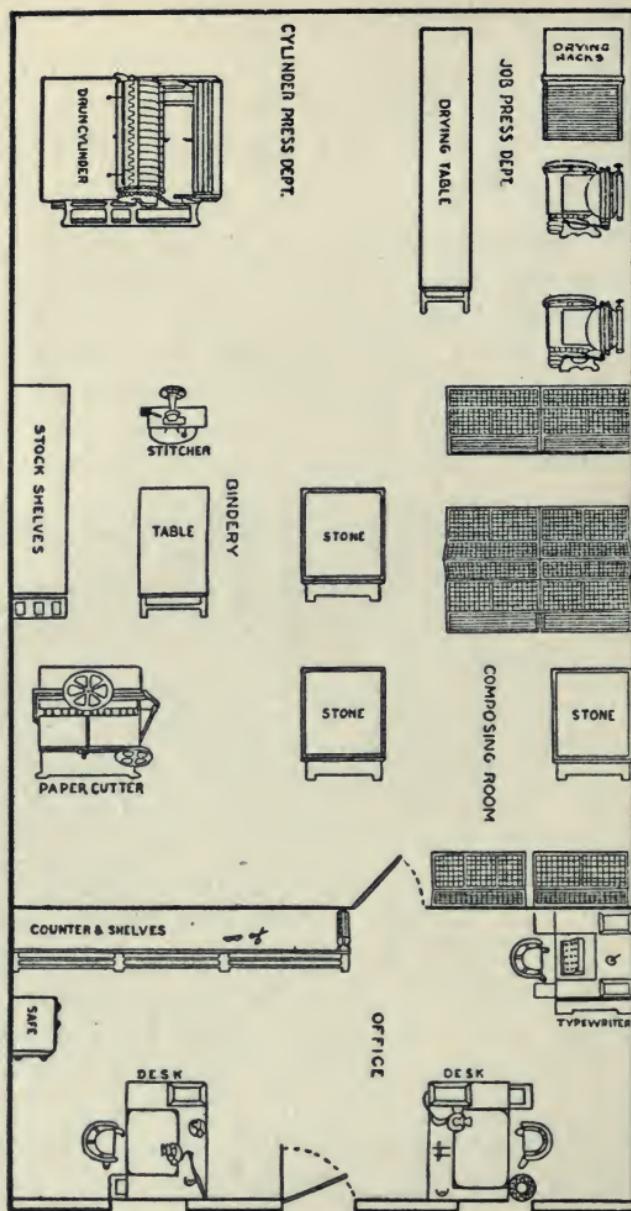


DIAGRAM OF PLANT

one-half of the \$5,000. Suppose we go over to Lawyer Jenkins and have him draw up partnership papers, each to have one-half, you to be the editor, and I will be the business manager. I will have charge of the books, make prices, and run the business in general. Each to be put on a salary basis, and each attend to his own duties. What do you say?"

"John, I want to say you are the biggest surprise in the world," Bell gasped. "I'll think it over."

The result was an announcement in the paper of the *Banner* taking in a new man as a partner, one long trusted as an associate, and many other things. It was almost the supreme effort of Bell, the editor, and to-day, riding in his flivver, going over the country roads to visit some of his friends and subscribers, he thinks it was the best editorial and best move he ever made.

But with the signing of the papers began the busiest time in the life of John Smith, printer, and now part owner of the newspaper and plant he had grown to love. For years he had itched to make a lot of changes, especially in the plant, so in a short time he urged Bell to attend a convention in the county seat, and also to take a vacation for a few weeks.

When Bell returned and entered the printing-office, he stopped short, because nothing looked familiar. His desk was not in its favorite place; a young girl was at another desk that had always held the "exchanges," and was busily at work at some writing; he found a partition cutting off part of the shop, and the back office completely changed. Had Bell been able to view the entire shop, it would have looked to him like the picture printed. The old room that John had used

for sleeping quarters was gone, and all the machinery moved around except the cylinder press, which always stood in the back of the room.

"For the love of heaven," Bell finally spat out, "has there been an earthquake?"

John came forward, smiling, and explained.

"This is something I have had in mind for a number of years, and now that I am part owner and can run the plant I took the opportunity while you were away to make the changes, and also to hire Mamie, here, to help set type, feed the presses and do some work in the bindery, as well as keep books as we may need."

"That sounds pretty good," Bell said with a twinkle in his eye, "but it seems to me that Miss Mamie here is going to be some busy girl. Where do I go in this place?"

"Take your old desk, even though it has been moved," John answered, smiling, "and leave the other two to Mamie and me, as we will probably need them at times when not otherwise employed.

"Oh, yes, I almost forgot, I have started a book-keeping system, and what Mamie is writing up is an order for some job-printing, and I want you to see what it is."

"Not today, young man. This change has been enough for me, I can't stand much more. I am going home to pray that the shop will still be here in the morning. Give me a copy of last week's issue to see what you did to that, and give me a few of the exchanges to read and rest my fevered brain, and I will bid you good-day."

Advertisements

II

ADVERTISEMENTS

IN MOST country newspaper offices, and also the smaller job printing establishments, the daily mail is not considered of much importance. It is likely to lie on the office desk for days at a time, unopened and unread. Particularly is this true of such letters that look like "bills" or requests to pay. Also, answering letters is something almost unheard of. Occasionally a letter is answered, only after much effort and trouble, or when there is an occasion to make a big kick over a delayed shipment of ready-prints or paper that should have come the day before yesterday, when it was really ordered on that day. When the publisher has a chance to kick, he takes glory in it, and passes on to the other fellow all that is in him, just to keep even. Exchanges lie unopened and accumulate until the room is nearly filled, then they disappear—how, is sometimes a mystery, although a chilly morning and a big stove in the corner might be the answer.

Jefferson Bell never feared "dunners." His accounts with the supply and paper houses bothered him not at all—everything came C. O. D. His only troubles were with the express and freight companies and with the postoffice. The C. O. D.'s taken care of, the

world looked bright and clear. To him, the daily perusal of his mail was almost an act of devotion. He had a deadly hate of "free dope" and could spot the junk at a glance, and took a fiendish delight in throwing it with all his might into the waste-paper basket. It seemed to tickle his vanity to have "big interests" ask him to print their stuff, and by throwing it into the waste basket he felt that he had his revenge for all the lack of success on his part. They weren't going to get anything from him, not by a long shot, unless they paid for it. He read regularly the "Chamber of Horrors," and gloated over the fact that none of them caught him. He was much too wise for them. Once in a while he would take a particularly foxy one over to John Smith, and tell him all about it and how it failed to catch him.

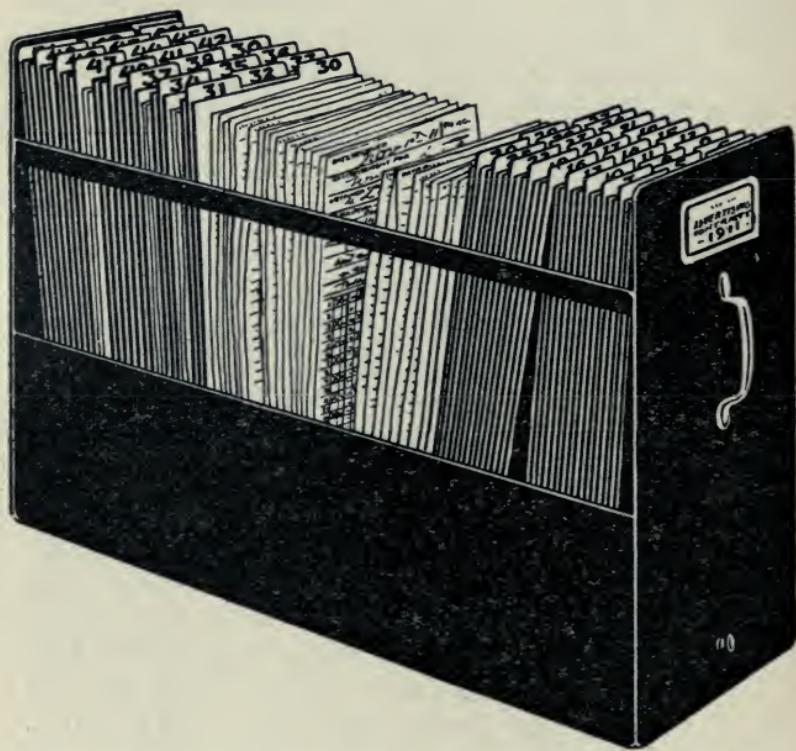
Bell liked to take each exchange and look it over carefully, then take a copy of the daily paper published in the large city near him, paid for by a free ad run once in a while as a courtesy, and thus for three or four hours of the day he spent his time, almost deaf to the events going around him. He knew almost every editor personally, and their papers seemed to him like a visit from a brother editor. A few he did not like, and a frown came to his face when he picked up their "sheets" and eagerly looked them over to see if they "contained anything." The others he looked over with loving care.

The few letters he opened carefully and read, and laid them aside—to be answered, maybe, in the future. Those from advertising agents, he opened eagerly, as they might contain a request for rates or an order for

some foreign advertising. This was the class of advertising he liked most. It meant cash, while the local advertising was mostly of the "trade" variety. The few legals represented cash, and sometimes the "powers that be" handed out some county or state legal printing which came in mighty handy—especially when he thought John Smith was getting to the point when he wanted some of the money due him.

The morning after his return from the short vacation was a bright and cheerful one. It was in the fall of the year, with just a snap to the air that made one walk briskly, and feel alive. Therefore, he arrived at the office in good spirits, fully recovered from the effects of the shock of the day before.

If he noticed anything unusual, he gave no sign, but went at once to his desk, now cleared and in order, where the morning's mail awaited him, put there by John Smith, as in the many days of the past years. On top of the pile was a letter from the advertising agency which had been in charge of the advertising campaign of a certain patent medicine for many years, and had always carried an advertisement in the *Banner*. Yes, the year was nearly up, and about time for them to renew the contract, and this must be the renewal. It was certainly a happy moment, as he could open the letter, and then go over to John with the new contract, and present it to his partner with some pride. At least here is where he had shown good business management by retaining this contract for these years—it was sure money, and a regular feature. Yes, the contract was there, and he read it through as of habit, and when it came to the rate per inch he was struck



DOCUMENT FILE FOR KEEPING ADVERTISING CONTRACTS
IN PROPER ORDER FOR REFERENCE AS
ADVERTISEMENTS ARE INSERTED

with amazement! Could it be possible? It must be a dream! Noting that a letter accompanied the contract, he looked at it, as though it might have some clue to the mystery. The letter read as follows:

Dear Sirs: Your letter of the 10th received, refusing to make a contract for Pulana Advertising at 10 cents an inch and suggesting that 15 cents an inch is nearer right.

You are probably aware that we have had a rate of 4 cents an inch from you for many years, and when you refused to renew at this rate we offered you 10 cents, as we disliked to discontinue business relations with you after all these years. This offer you have turned down, and we regret it very much.

However, we have consulted our clients, who state that the returns from your territory have been very satisfactory, and that inasmuch as their advertisement has appeared in the *Banner* for years, they have authorized us to offer you 15 cents for the coming year as per your new rate.

Inclosed find new contract for your signature, with a duplicate for your records. Copy and plates will be forwarded to you in due time, that the advertising may continue uninterruptedly.

Tusting this will be satisfactory, we beg to remain
Yours very truly,

MARIS & SON.

If Bell had been surprised when Smith offered to help him over his financial difficulties, and the new partnership, and also surprised at the changed ap-

DATE RECEIVED

No.

January 1st, 1911

ADVERTISEMENT FOR

People's Dept. Store

OBTAINED THROUGH,

Them

DESCRIPTION

Department Store Adv.

Changed Weekly

(sometimes)

DISPLAY



READER

CLASSIFIED

LEGAL

INSTRUCTIONS

Page 4 - Next locals

COMMENCE

Jan. 1 1911

STOP

Dec. 30 1911

No.	Paper	Publsh	St. Cz.	No.	Paper	Publsh	St. Cz.	No.	Paper	Publsh	St. Cz.
1	34	✓	14	30		✓		27	30	✓	40
2	60	✓	15	60		✓		28	30	✓	41
3	24	✓	16	24		✓		29	30	✓	42
4	10	✓	17	30		✓		30			43
5	30	✓	18	60		✓		31			44
6	40	✓	19	20		✓		32			45
7	40	✓	20	30		✓		33			46
8	40	✓	21	40		✓		34			47
9	60	✓	22	60		✓		35			48
10	60	✓	23	60		✓		36			49
11	128	✓	24	60		✓		37			50
12	128	✓	25	60		✓		38			51
13	30	✓	26	60	✓			39	30	✓	52

ADVERTISING JACKET—Fig. 1

pearance of the shop upon his return, it was nothing compared to the surprise and shock he received upon reading this letter and the contract. A raise from 4 to 15 cents an inch! No one but a crazy person would have thought of such a thing. What was the matter with Smith, anyway?

"Smith," Bell was just able to say, "come here and look at this."

"Oh, h—," said Smith, when he had read both the letter and the contract, "we will have to run those blooming ads. another year."

"Say, what is the matter with you?" Bell retorted, "Why not run the ads.; isn't the money good, especially at 15 cents an inch?"

"That's all right for you, as they helped to fill space for which you might have had to buy plate, or write something, but I sure am tired of changing those ads. every week. But," Smith sighed in a resigned manner, "guess we will have to do it, but I thought sure they would turn down the 15 cent rate. Wish I had asked 20 cents now."

"Do you mean to say," Bell almost yelled, "that you tried to get rid of this perfectly good advertising and good money?"

"Well, perhaps, it looks funny," Smith said, keeping his temper, "but those patent medicine ads. have almost gotten my goat, and if they are to run hereafter in this paper they will have to pay for it."

"There can't be much kick on this rate," Bell said, coolly, "and if this business is to prosper, we must have cash advertising, you know."

DATE RECEIVED

No.

October 20, 1911 53

ADVERTISEMENT FOR

Titanic

OBTAINED THROUGH

Doctor & Combe

DESCRIPTION

Set in 8 pt. regular head

DISPLAY	READER	<input checked="" type="checkbox"/>	CLASSIFIED	LEGAL
---------	--------	-------------------------------------	------------	-------

INSTRUCTIONS

Immediately following
reading matter
Bill 1 cent a line

COMMENCE

Nov. 6, 1911

STOP

May 1, 1912

No. Paper	Publish Bk. Ct.	No. Paper	Publish Bk. Ct.	No. Paper	Publish Bk. Ct.	No. Paper	Publish Bk. Ct.
1	/	14		27		40	/
2		15		28		41	/
3		16		29		42	/
4		17		30	/	43	/
5		18		31		44	/
6		19		32	/	45	
7		20		33		46	/
8		21		34	/	47	
9		22		35		48	/
10		23		36	/	49	
11		24		37		50	/
12		25		38	/	51	
13		26		39		52	/

"All right, sign the contract, and give the dope to Mamie so that she can write up the advertising jacket, and the *Banner* will proclaim for another year all about Pulana and the ladies and gentlemen who are dead now, but were once cured by this wonder. The next one will have to pay 20 cents, though."

"Advertising jacket?" Bell asked in amazement, "what is this new thing you have now?"

It seems that Smith had forgotten to explain to Bell just all that he had done while Bell was away, and perhaps he did not have time the day before, as Bell had left too suddenly.

So, now, after seeing the contract signed, and put in an envelope ready to be mailed back to the agency, he took the duplicate contract and went over to Mamie's desk, where she was waiting, evidently knowing that she was expected to do something. On the desk was a legal document file, which held No. 10 envelopes, and slid into a holder or container. It was about twelve inches long, and just the right height and width to contain the envelopes. Fifty-two guide cards had been prepared with what is known as three-cut. Between the guides 29 and 30 were a lot of envelopes, with considerable printing on the faces; others were strung along for the next few numbers.

It developed that the fifty-two guide cards represented the fifty-two weekly issues of the *Banner* for one year. Each issue of the paper was numbered, and the guide cards corresponded with the numbers of the paper.

Mamie took out a few of the envelopes, and while

DATE RECEIVED

Oct. 31, 1911

No.

ADVERTISEMENT FOR

Estate of J. J. Rowe.

OBTAINED THROUGH

R. L. Lawson, Atty.

DESCRIPTION

Petition of Administrator

DISPLAY	READER	CLASSIFIED	LEGAL
---------	--------	------------	-------

INSTRUCTIONS

8 pt.

COMMENCE

Nov. 6, 1911

STOP

Dec. 5, 1911

No. Paper	Publish	Br. Co.	No. Paper	Publish	Br. Co.	No. Paper	Publish	Br. Co.
1		14				27		40
2		15				28		41
3		16				29		42
4		17				30		43
5		18				31		44
6		19				32		45
7		20				33		46
8		21				34		47
9		22				35		48
10		23				36		49
11		24				37		50
12		25				38		51
13		26				39		52

ADVERTISING JACKET—Fig. 3

Smith returned to work she started in to explain just what they meant and how they were used.

To repeat the entire conversation between Mamie and Bell would be tiresome, but here are the facts as brought out for Bell's information. It appeared that the *Banner*, like many other newspapers, did not have a good method of keeping track of advertisements, with the result that many were run incorrectly, some run longer than the contract called for, many started before the time, and some put in the wrong place. It seemed to be the assumption that Smith could keep all these details in his head, and that was part of what he was paid for. Being now a partner, he refused to carry this burden any longer, therefore he evolved the scheme of making out a "jacket," as he called it, for each contract, and so arranging matters that mistakes would not occur in the future.

Four of the five reproductions of "jackets" we give were the ones Mamie showed Bell. The first part of the reading on the envelopes Bell could quite readily grasp, as it showed the date the advertisement was received, and gave it a number. This he had to ask about, and an advertising register made out of a common day-book was shown, where in numerical order the advertisements were set down. Whom the advertisement was for, who sent it in or where obtained, he understood, as well as a general description and the checking off of the class of advertisement and instruction for running, and the dates to commence and to stop. There was nothing mysterious about those, but when it came to the cross lines and the numbers and

DATE RECEIVED

No.

Nov. 6 60

ADVERTISEMENT FOR

J. R. Folsom

OBTAINED THROUGH

DESCRIPTION

Oats for sale

DISPLAY	READER	CLASSIFIED	LEGAL
		<input checked="" type="checkbox"/>	

INSTRUCTIONS

Runtf

COMMENCE

Nov. 6 1911

STOP

19

No. Paper	Publish St. Ctr.						
1	14			27		40	
2	15			28		41	
3	16			29		42	
4	17			30		43	
5	18			31		44	
6	19			32		45	
7	20			33		46	
8	21			34		47	
9	22			35		48	
10	23			36		49	
11	24			37		50	
12	25			38		51	
13	26			39		52	

ADVERTISING JACKET—Fig. 4

other things, he was stuck, and it was up to Mamie to explain.

It developed that the four columns contained fifty-two numbers, representing the numbers of the paper for a year. The lines running from the upper left-hand to the lower right-hand corners of the spaces opposite the numbers indicated that the advertisement was to run in the papers with those numbers. When the advertisement was run, Smith would draw a line the opposite way, making a cross, and in the case of a display advertisement where the number of inches was not always the same, he wrote over the cross the number of inches in the advertisements. The figures 34, 60, 24, etc., on No. 1 represented the number of inches of space that advertisement took in the weeks corresponding to the number of the paper. The little check mark after the number, Mamie explained, showed that she had checked the amount, and had charged the People's Dept. Store with the advertisement. The Bk. and the Ck. at the top of the column stood for "Bookkeeper's Check," showing that the bookkeeper had checked it off, and if the company was not charged for the amount it was her fault.

Then came the matter of the guide cards, and Mamie explained still further that the coming week all Smith had to do was to go to No. 30, grab all the envelopes there, and he would have all the information he wanted as to what advertisements to run, how to run them, and all other important matters. After he was through with them he would cross them off, as explained, and then Mamie would file as No. 31 all envelopes of weekly advertisements, or in the case of

DATE RECEIVED

No.

Nov. 6

61

ADVERTISEMENT FOR

Pulana

OBTAINED THROUGH

Moris & Son

DESCRIPTION

Change weekly
Plates

DISPLAY



READER

CLASSIFIED

LEGAL

INSTRUCTIONS

Change weekly - Top
Column next reading
Bill monthly

COMMENCE

Nov. 6 1911

STOP

Nov. 5 1912

No. Paper	Publish Br. Cl.	No. Paper	Publish Br. Cl.	No. Paper	Publish Br. Cl.	No. Paper	Publish Br. Cl.
1		14		27		40	
2		15		28		41	
3		16		29		42	
4		17		30		43	
5		18		31		44	
6		19		32		45	
7		20		33		46	
8		21		34		47	
9		22		35		48	
10		23		36		49	
11		24		37		50	
12		25		38		51	
13		26		39		52	

ADVERTISING JACKET—Fig. 5

No. 53, would put it under No. 32, as the advertisement ran every other week, and would not have to be run every week as before, in order that wrong insertions would be avoided.

It was quite simple, even though the thing was different from the old way.

Mamie then went to her task of writing up the jacket for the new contract which is shown as No. 61. Bell returned to his desk, his head in somewhat of a daze, and he glanced at Smith with queer expression, but Smith was busy locking up a job for the job presses and whistling in that half subdued way that was a habit of his when things were going right.

Bell could not avoid a smile, and picked up his beloved daily paper and commenced reading the world events.

The noisy hum of a job press was heard, the click of the letters as they fell into Mamie's stick, and the business of the country newspaper went along until the whistle at Anderson's mill told of the noon hour.

Just as Smith was leaving the door, following Mamie, Bell called him back.

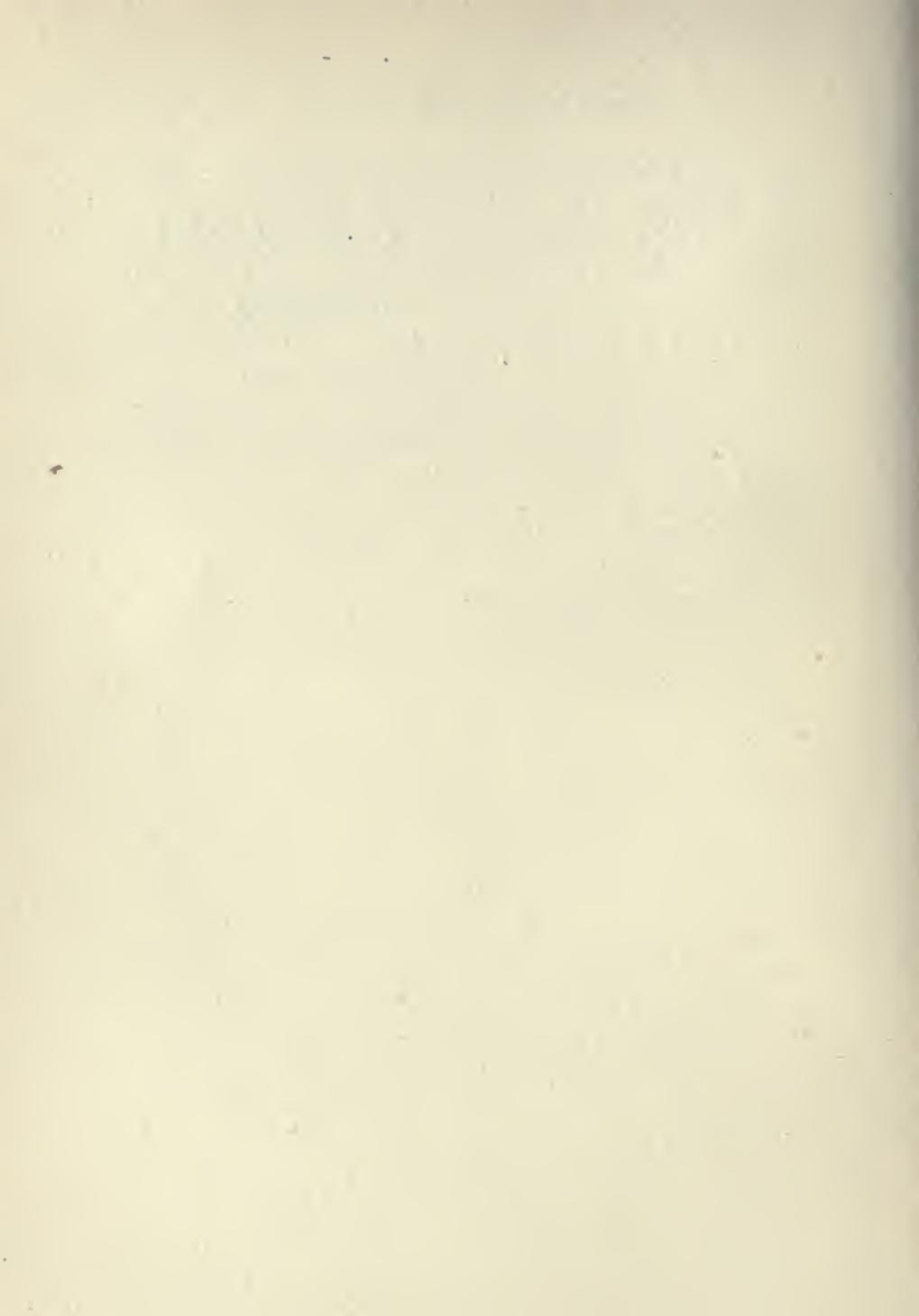
"Say, Smith," he said, "I just happened to think about the slip you showed me when you put up the proposition about a half interest in the *Banner*. Where did you get the figures as to the amount of office furniture, and presses and other stuff in the shop, and separate it all so nicely?"

"Oh, that was easy, Mr. Bell," Smith answered. "You see, a few months ago I got the notion that I should like to be your partner, and I wondered what the plant was worth. Then along came Underwood,

who travels for the typefoundry, and being good friends we went at it on a Sunday, he staying here instead of going to Columbus, and we took an inventory. Here it is, all in shape, with each item listed and priced by Underwood, with something marked off for depreciation. You might check it up, if you like."

Bell was surprised for the third time that morning. First came the shock over the new rate for the patent medicine advertisement, then the "advertising jacket," and now the inventory! He straightened as though about to relieve his mind of something that was forcing itself for expression, but evidently thought better. Something like, "I'll be d——," escaped his lips, but they smiled as he grabbed his hat and followed Mamie and Smith down Bladon's main street.

Commercial
Printing



III

COMMERCIAL PRINTING

T IS quite the accepted thing to call the first working day of the week "Blue Monday." Usually it means starting in on hard work after a day of rest, and the beginning of another week of toil and worry. In the average country printing office Monday is not accepted as "blue;" it is usually the reverse, a day to take things easy, distribute type, clean up, look over the exchanges, a day of doing small things, and never to hurry. The last three or four days of the week are the busy days, and if the help show up a little late on Monday morning nothing is said, as probably they had worked one or two nights the week previous getting out the paper and rushing out some jobwork.

To Jefferson Bell, Monday meant a day of pleasurable reading of the exchanges which had come in on Saturday and Sunday, and some visiting among his cronies of the town.

So it was with no hurry that he sauntered down the street on his way to the shop on the brisk morning in November, 1911. He knew that John Smith was on the job, and taking care of the routine there, and nothing important would occur to demand his immediate attention.

In fact, he was thinking of something Smith had said on Saturday about getting more job printing. Smith rather sarcastically implied that a lot of the business men of Bladon were not using printed stationery, just because they had not been asked to have some printed. Bell thought that the business men knew that the *Banner* did job printing, and if they wanted some printing they would tell him. As he went down the street, and noted the various business houses, he remembered that he had done very little printing for several of them, and perhaps there was something in what Smith said after all, and it would not be a bad idea to ask one or two for a job of printing. Bell was no salesman, nor had he read any of the many books and articles on salesmanship—it was not in his line. Yet Smith's comments made him realize that perhaps the difficulties he had had in the past were to some extent due to the fact that he had not gone after the business. Smith was certainly making things change around the shop, and Bell felt that it was up to him to get some more business—if possible.

The first place that Bell entered was the harness shop, run by John Ackerman for twenty years. Only once had John ordered some printing, and that was many years ago, so there was no doubt but what he would need some more letter-heads after all these years. When Bell made known his proposition, John turned around from his bench in great surprise, took off his glasses and opened his mouth in amazement.

"By golly, Bell," he finally spurted out, "you fellows are getting a sudden move on you, ain't you?"

"What do you mean?" Bell asked in surprise.
"This is the first time I ever asked you for any printing."

"That is just it," John said solemnly, "but it doesn't need you and Smith both to get some printing from me."

"What's Smith got to do with my asking you for a job of printing?"

"By golly, Smith was in here Saturday night and asked me why I didn't have some letter-heads printed, and by golly, he just fixed up some reading and said I oughter have 250 envelopes and 500 letter-heads, and he was going to print them for me, and make me a real business man. By golly, that Smith is getting to be a corker. Said I oughter have an ad. in the paper, too. And now you want some printing. No, sir, that one lot will do me for a long time."

And John grabbed his awl, and viciously pushed it through the leather he was working on, and picked up his waxed thread, while Bell made his exit. So Smith was after the business. Leaving nothing for him to do. Funny business, this!

In the midst of his thoughts as he sauntered down the street, he heard his name mentioned, and turning around he saw Walter Feehan, the blacksmith. Stopping to see what he wanted, Bell was informed that Feehan had decided to announce that he could repair automobiles, and wanted some cards printed with that on, besides mentioning that he did general blacksmithing. Taking the order for 500 cards, Bell almost forgot his turn down by Ackerman, and as he started

NOTE — Ticket must be made out in full, giving every information necessary
for completion of job Number every job

Date	No.		
Nov. 1, 1911	21		
For	People's Dept. Store		
Address	Bethel, Ohio		
Quantity	DESCRIPTION		
5,000	Statements		
Promised	Friday		
STOCK	Anchor Ruled $5\frac{1}{2} \times 6\frac{1}{2}$		
COMPOSITION	Like Copy Like Sample as near as Possible Machine	Heavy Light Fancy Plain Nice Job Cheap Job	Stone Proof to Revise to
PRESS WORK	Color Ink Black Proof to		
BIND	Block 100 in a Pad Perforate No.		
Deliver	Delivered Nov. 4		
Delivered by	To be Called for		
Ship by	To		
Via			
Price	Cost of Stock	Journal	
10 50	3 00	28	

JOB TICKET ENVELOPE—FIG. 1

on his way again his step was lighter, as he had secured an order for printing also.

Going by the bank, he was again stopped, this time by the cashier motioning to him to come in, and for a second time that morning he got a printing order, this last being for 10,000 deposit slips.

"Look here, Bell," the cashier said, "I want a right price on these. I can get them in Columbus mighty cheap, but I'd rather give you my work, and you will be expected to meet that price. You tell Smith he can't start in getting rich from us."

Many a time Bell had accepted work from the bank at a price he was sure was too low, just because the cashier had told him about prices he could get printing done for, and the remarks of the cashier were nothing new. It was an old story and rankled in Bell's breast, but it was cash printing and not trade, and this had meant something in the past to Bell.

"You may be sure we will do the work as cheap as any one," Bell replied, and started toward the printing office.

On his beloved desk was the Monday morning mail, mostly exchanges from the editors whom he personally knew, or from the near-by towns. All thoughts of jobwork and orders left his mind at once, and after disposing of his coat and hat, the world and all that is in it were forgotten, while full attention was given to the papers.

Suddenly he started, as in some way his mind reverted to the events on his way to the office, and he fished out the two jobs he had received. Bell made the necessary changes on the card to include "auto-

NOTE—Ticket must be made out in full, giving every information necessary
for completion of job. Number every job.

Date	No.		
Nov. 2, 1911	22		
For	Citizen's Bank		
Address	Blabon		
Quantity	DESCRIPTION		
500	Notes		
Promised	soon		
STOCK	Westminster Bond cut $3\frac{1}{2} \times 8\frac{1}{2}$		
COMPOSITION	Like Copy Like Sample as near as Possible Machine	Heavy Light Fancy Plain Nice Job Cheap Job	Stone Proof to Revise to There
PRESS WORK		Color Ink Black	Proof to
BIND		Block 100 in a Pad	Perforate
Deliver	✓	Delivered Nov. 5	No.
Delivered by	Smith	To be Called for	
Ship by		To	
Via			
Price	2 75	Cost of Stock	85 Journal 28

JOB TICKET ENVELOPE—FIG. 2

mobile repairing," and wrote the figures "500" in one corner. He took the deposit slip and wrote "10M" on it, and got up from his desk.

"Where has the job hook gone?"

These were the first words that Smith had heard that morning from Bell. Standing near the place where once were several hooks, each consisting of an iron base with a bent hook of steel, slightly curved at the bottom, and artistically bent outward toward the top, with a very sharp point, Bell looked in bewilderment at the spot.

For ten years the "job hooks" had hung there and had done noble duty. Many were the jobs of printing that had been put on those hooks, with amount carefully written on each (when not forgotten), and Smith had for years taken the copy off the hooks, set the type, locked the form, printed them on the platen presses, tabbed them, wrapped them up and delivered them. When this was done, the copy was hung on another hook, over which was a piece of paper, very dirty and the corners lost or torn, with but part of the legend, "Completed Jobs," showing. When the "job hook" was full, Bell would complain about being very busy, and when it was empty, that business was "very poor indeed." It was the barometer of his business and indicated in the only way he knew just how much business was being done. It was quite true that sometimes jobs had hung on the hook for a month or more at a time, and often explanations had been made to the customer why they were not done. "Stock failed to come," "Very busy," "We are getting right at it," and other excuses had been given.

NOTE.— Ticket must be made out in full, giving every information necessary
for completion of job. Number every job.

		No.	
Nov. 2, 1911		23	
For	Banner		
Address	Blabon		
Quantity	DESCRIPTION		
1,320	Copies		
Issue Nov. 6			
Promised			
STOCK			
Ready Print			
COMPOSITION		Like Copy Heavy Like Light Sample Fancy as near as Plain Possible Nice Job Machine Cheap Job	Stone Proof to Revise to
PRESS WORK		Color Ink	
		Proof to	
BIND		Block In a Pad Perforate No.	
Deliver		Delivered	
Delivered by		To be Called for	
Ship by		To,	
Via			
Price	Cost of Stock	Journal	

JOB TICKET ENVELOPE—FIG. 3

On some occasions the copy itself had mysteriously disappeared from the "job hook," for which there was no excuse—but it had happened. In fact, the same thing had occurred in regard to the "Completed Job" hook, as, for instance, when Louis Knight, the grocer, three or four months after he had had some statements printed, had asked when Bell was going to send in his bill and get the account straightened up. These were, of course, the usual sad incidents to the printing business, and were taken as a matter of course and explained to the customer in the best way possible.

Now, the hooks themselves had disappeared!

This was quite unthinkable, but perhaps they had been moved. Everything in the shop was being turned around, and these were no doubt taken from the convenient place they had occupied and put some place not so handy.

"Job hooks?" Smith answered. "Why we haven't any."

"No job hooks!" Bell exclaimed. "Well, perhaps you can tell me what you are going to do with these two orders for job printing that I have."

"Two more orders?" Smith said. "That is good! Give them to Mamie, and she will write up the job tickets and we will get them right out. That makes four orders today."

"Oh, it does, does it? What has Mamie to do with the jobwork? Thought she was going to set type. And what's this 'job ticket' business, anyway?"

When a man has done business in a certain way for ten years or more, it is natural that he should resent any change. The customs of the past are too

NOTE.—Ticket must be made out in full, giving every information necessary for completion of job. Number every job.

Date	Nov. 3, 1911	NO ^W	24
For	Ohio Real Estate Co.		
Address	Blalon, Ohio		
Quantity	500	DESCRIPTION	
		Land folders 8 pages	
Promised	next week		
STOCK	S. + S. C.		

COMPOSITION	Like Copy	Heavy	Stone Proof to
8 ft	Light		
Like Sample as near as Possible	Fancy		
Machine	Plain		
	Nice Job		Revised to
	Cheap Job		Them

PRESS WORK	Color Ink
	Black
	Proof to

BIND	Block
Trim 4 X 9	in a Pad
Fold only	Perforate
	No.

Deliver	✓	Delivered
Delivered by		To be Called for
Ship by		To
Via		
Price	Cost of Stock	Journal

JOB TICKET ENVELOPE—FIG. 4

strong to allow him to immediately take to a change, unless he has himself thought the matter out and decided a change is necessary. When Jefferson Bell took in John Smith as a partner he did not contemplate any radical changes in his method of doing business. Only because necessity made it imperative had Bell entered into an agreement for a partnership, as he had run his own business too long to want to give anything up. To him the partnership had meant that certain urgent things that had bothered him would worry him no longer, and that business would run more smoothly, and besides he would not have to worry about Smith leaving him. Instead of all this, he found that his new partner had completely changed the arrangement of the shop and had added a new way to handle advertisements.

Smith started in to explain about the unfortunate incidents of lost copy, jobs not being completed on time, and also about certain jobs that had not been changed because of loss of copy from the "completed" hook, and a few other things which were ancient history. Then he said that he had thought the proper way to handle jobs and avoid such things happening, and also to keep a complete record of the job printing they were doing, was to have a job ticket on which would be given details of the work, and if in the form of an envelope the copy could be put in it; and finally when the job was done, a new copy, or a completed copy of the job, could be put in it and thus preserved. Besides, if a re-order came in they could look up the old job ticket and get the copy and full details, as well as the old price.

NOTE.—Ticket must be made out in full, giving every information necessary for completion of job. Number every job.

Date	No.	
Nov. 5	27	
For	Ladies Aid Society	
Address		
Quantity	DESCRIPTION	
250	Hodgers	
Promised		
STOCK		
6 x 9 Print		
COMPOSITION		
Like Copy Like Sample as near as Possible Machine	Fancy Light Fancy Plain Nice Job Cheap Job	
Stone Proof to <i>A. Smith</i>		
Revise to <i>Them</i>		
PRESS WORK		
Color Ink <i>Black</i>		
Proof to		
BIND		
Block in a Pad Perforate No.		
Deliver	Delivered	
Delivered by	To be Called for ✓	
Ship by	To	
Via		
Price	Cost of Stock	Journal
1 25		

JOB TICKET ENVELOPE—FIG. 5

First, the jobs could be registered, and he showed Bell a ruled and printed book, with room for ten jobs on a page, with numbers, and the dates the jobs were received. Here were already recorded ten jobs, including that received from John Ackerman, and Smith showed the record to Bell.

Then came the question of the job tickets, and Smith took Bell to the composing stone, where in a neat box fastened to the furniture case reposed several of the job tickets. These, it appeared, were jobs that had been set up and were ready to be printed. Near the job case was another box containing one or two tickets on which the type had not been set. Over by the job press was still another box with some tickets, which showed those jobs were being printed or were ready to be printed, and finally a couple of completed jobs were on the table ready to be tabbed, with the tickets carefully inserted between the sheets of paper.

Mamie made out the tickets under instructions from Smith, and when the jobs were delivered the date was put down, and then the price of the job, the cost of the stock, and the whole transaction entered on the books. The tickets that had been completed were kept in a file similar to the one used for the advertising jackets, and could be referred to at any time. In this way the work was always in view and details known, and nothing could be lost without knowing about it.

"I guess it's all right," Bell finally said, after looking over the various tickets, some of which are reproduced here, "and if you want to go to all this bother, all right. If I get any jobs I'll hand them to

JOB REGISTER

Number 21	FOR <i>People's Dept. Store</i>		
Date Nov. 1	Quantity 5 M	Description <i>Statements</i>	Price 10 ⁵⁰
Number 22	FOR <i>Citizen's Bank</i>		
Date Nov. 2	Quantity 500	Description <i>Notes</i>	Price 2 ⁷⁵
Number 23	FOR <i>Banner</i>		
Date Nov. 2	Quantity 1,320	Description <i>Issue, Nov. 6</i>	Price
Number 24	FOR <i>Ohio Real Estate Co.</i>		
Date Nov. 3	Quantity 500	Description <i>Land Folders</i>	Price
Number 25	FOR <i>Ohio Real Estate Co.</i>		
Date Nov. 4	Quantity 200	Description <i>Contracts</i>	Price
Number 26	FOR <i>Farmers Hdwre. Co.</i>		
Date Nov. 4	Quantity 500	Description <i>Statements</i>	Price 2 ⁷⁵
Number 27	FOR <i>Ladies Aid Society</i>		
Date Nov. 5	Quantity 250	Description <i>6x9 Hodgers</i>	Price 1 ²⁵
Number 28	FOR <i>O. A. Mickelson</i>		
Date Nov. 5	Quantity 140	Description <i>Auction Bills</i>	Price 6 ⁰⁰
Number 29	FOR <i>John Ackerman</i>		
Date Nov. 7	Quantity 250	Description <i>Envelopes</i>	Price 1 ⁵⁰
Number 30	FOR <i>John Ackerman</i>		
Date Nov. 7	Quantity 500	Description <i>Letterheads</i>	Price 3 ⁰⁰

JOB REGISTER

you and you can do as you please, as long as the work is gotten out. It's up to you."

Smith took the jobs Bell had and started to give them to Mamie. He looked intently at the one from the bank.

"What did the cashier say," he suddenly asked, "when he gave you this job?"

"Oh, he said that he would let us do the job if we did it as cheaply as he could get it in Columbus."

To the surprise of Bell, Smith took off his apron, grabbed his hat and started for the door.

"Where are you going?" Bell exclaimed.

"Down to see that cashier. He needn't think because he is a friend of mine he can pull that stuff. If he wants us to do this work he will pay our price, or send it away. And I am going to tell him so." And the door slammed.

Bell looked at Mamie, Mamie looked at Bell, and both looked at the door.

Quietness reigned supreme for half an hour, and then Smith came in.

"Make up a ticket for this order, Mamie," he said, and started to put on his apron.

"What did the cashier say?" Bell asked, "and did you have to come to his price?"

"Not by any means! That fellow is all right except when he has to spend a cent. I told him a few things, and he said he was only kidding us, and to go ahead with the work, only not to rob him too bad."

Now, Bell was not a profane man, but occasionally he said things not looking well in print, and this

was an occasion on which he said them, and took his hat and went out.

Smith was locking up a form and whistling in that quiet way of his when he was content and pleased with the world. Again he had won his point and was beginning to feel a certain satisfaction in the innovations he was making around the *Banner* office.

Income

IV

INCOME

THERE are just two kinds of people in the world. There are those that worry and those that don't. Of these two classes it is mighty hard to say which is in the majority, but taking the average country newspaper publisher, we would say that he belongs to the "don't worry" class. Jefferson Bell was no worse or no better than the average editor who conducts a country newspaper. He was an editor and not a business man. He could write a red-hot editorial, a nice four-line local, and a write up of a Fourth of July celebration that you would always remember. He was a good proofreader, particular as to punctuation, and a crank on spelling. He insisted on keeping the word "county" down, and always referred to the county as "Wayne county." To capitalize "county" meant dire consequences to the unhappy compositor that did the terrible deed. All of these things he understood as being highly important in the making of a newspaper, and without them the paper would be a failure. He watched the "upstarts" who went into the business, and scoffed when they fell down in any of the little niceties of "style," or spelling and punctuation. Bell would fret and fume for days over some simple error

that had crept into the paper, and every time he picked up that particular issue he could see nothing but that error, and he imagined that every reader saw it.

Yes, we will take it all back. The country editors like Jefferson Bell do worry and fret a great deal, and perhaps, after all, everybody worries over something, and therefore there is only one class of people—all who worry. But when we think of worry in the first sense we think about worrying over money matters. Seemingly that is the only great thing to worry about. If that is the true test, then few country publishers worry—and Jefferson Bell least of all. It is true that on Fridays, when the "insides" came and enough money to pay the C.O.D. had to be rustled, he did worry somewhat, but when the amount was at hand to pay the obligation, financial worries and Jefferson Bell were far apart.

Not so John Smith. If he ever ceased to worry about money it was only in his sleep. He was a good printer, steady and ever on the job, but as to writing a three-line local, or even a two-liner, that was not his job. He might do it in a pinch, but he preferred not. Give him something to figure out as a mathematical problem, and just to know how much money he spent each week, then you were getting at something he could understand. In a neat little book he had down in black and white every dollar he had earned, and what he had done with it. There are that kind of people, and John Smith was one. He was not stingy nor even, as some call it, "near," for on the contrary he spent quite freely, but just the same he kept track of it.

For a week John had been spending part of his time talking to the cashier of the bank, and looking at forms and books, and writing things on sheets of paper. Seemingly long discussions were being held, and there were lots of arguments. Bell was rather amused at all this, but having known Smith for so many years thought nothing of it. That Smith was planning another new scheme to put into the business did not enter his head. The "advertising jacket" and "job ticket" were certainly enough, and Bell could not comprehend anything else. These two were certainly plenty for any shop to keep track of.

One day Smith asked Bell to stay a few minutes after work to talk things over, and much to Bell's consternation some funny questions were asked him.

"Mr. Bell," Smith said, "do you know how much business you did last year? That is, how much job printing, advertising, legals, subscription receipts and the rest?"

"I—er—I—eh, well, Smith, to tell you the truth I do not believe that I could give you the exact amount in dollars and cents."

"That is just what I thought," said Smith, "and it is a condition that will not be in this shop very much longer. The cashier and myself have been talking over methods of keeping track of what we are doing in all classes of work, and I have about decided to start in with November 1, and find out what we are doing every month. Guess we will have to figure out what is owing us, and take that inventory of the plant and start in right."

"That might be a good idea, Smith, if it did not

take too much time," Bell replied. "It always seemed to me that so much bookkeeping was a waste of time, but you seem to like to keep a book full of figures, so I suppose you will have to do it."

Long after Bell had gone, Smith sat at the desk drawing vertical and horizontal lines on sheets of paper and writing in words, and then finally a smile spread over his face, and putting out the light he went out to his supper awaiting him at the boarding house.

What editor does not attend the "church sociables" and entertainments? Possibly a few do not, but the average editor knows full well that a "write up" of the entertainment, with full mention of all who took part, will be looked for in the coming issue, and to leave out the name of a single participant would mean considerable dissatisfaction, to say the least. Believing in giving all the news, and mentioning just as many people each week as possible, Jefferson Bell never missed a church sociable or entertainment. Besides, Mrs. Bell was quite a church worker, and that made a difference, if you get what I mean.

The evening after Smith had said something about knowing how much business they were doing, Mr. and Mrs. Bell attended one of the periodical entertainments at the village church, and on their way home they noticed a light in the shop, and people moving back and forth. As they were just across the street, they decided to go over and see what was happening. On opening the door they were much surprised to find Smith and Mamie busily at work over some books, and the cashier of the bank looking on.

"What's the matter," Bell exclaimed. "Has the place been robbed, or what?"

The three workers looked up much surprised, and then looked at one another.

"Well," Smith said, "we intended to surprise you, but seeing that you have surprised us, I guess it is best to tell you just what we are doing, if you want to stay that long."

"If Mary doesn't mind waiting, I guess it will be all right," Bell said, as he was rather curious to know just what all the excitement was about.

"We are opening a set of books for the firm," Smith answered, "and the cashier here is giving us some pointers, and he might explain just what we are doing, and at the same time help Mamie and myself over some difficulties."

"For goodness' sake, Jefferson," Mrs. Bell exclaimed, "if they are really starting a set of books, stay awhile. You know I have been after you for years to have a set of books, and now that John is doing it I am indeed interested."

"All right," Bell said, "I guess I will have to stay, and perhaps Mary will keep still about a set of books after she finds out how much trouble it is going to be. I got along pretty well for ten years without all this foolishness, but perhaps after all a set of books will help."

"They certainly will," the cashier chipped in, "and I know that it will mean lots for you both."

"The next thing, I suppose," grumbled Bell, "you fellows will be putting in one of those newfangled cost systems I have noticed *The Inland Printer* has been

FIG. 1.—FIRST PAGE OF COMBINATION CASH JOURNAL

printing about. It will be all system and no paper, I'm thinking."

"Don't worry about that," Mrs. Bell said. "I think we can safely trust John here not to go too far."

John Smith did not seem inclined to continue the talk on this point, although at the words cost system he shook his head. He had seen time sheets, and other things, which looked to him like a whole lot more work for nothing, and he didn't want to add too much work on his shoulders. The bookkeeping Mamie could take care of after it was fairly started, but the cost system to him seemed an added burden to his work.

After a short time, Smith turned to the cashier and told him that at last they had secured a statement, as nearly correct as possible, of what was owing the concern on November 1, had divided the amount up according to the various classes of work, and had entered the amounts of the various jobs that they had done, and also the amounts received for subscriptions, and asked what next. Evidently the cashier thought they had done enough for one night.

"That will be enough," he said, "and as Mr. Bell seems to want to see what we are doing, suppose we show him the entries that have been made, and explain them to him."

Jefferson Bell joined the group, and then the cashier started in to explain just what the entries were, and what they meant.

"This book is what is commonly known as a Combination Cash Journal. Many accountants do not approve of it, and I tried to get John to put in something different, but he had figured this out, with some

DATE	NO.	FOR	ACCOUNTS			INCOME		
			DESCRIPTION	JOB WORK	ADVERTISING	LEGALS	STATIONERY	SUBSCRIPTION
19//			BROUGHT FORWARD					
26 Nov 6	23	Business	1320 copies	1097.5	1086.5	111.30	140	600
22	"	P.W. Mathews	3 hole Plate					
25		Prophet's Fifth Street	Adv. 30 min	300				
20		Citizens Bank	"		25			
21		Wichita & Standard	Legal (16 lines)					
32	1	Prophets Sept. issue	16 lines Reader		60			
32	53	Victor Hamblee	"Vitanic" 12 min		120			
24	56	R. L. Hansen, Atty	"Piper Jaffray 26 min		144			
25			(first time)					
26	60	J. R. Tolson	city Ad. 3 lines		15			
32	61	Gracie & Son	"Culard" - 18 min		370			
38		Miss P. B. Aldrich	12 columns paper		60			
25	37	A. L. Wilson	city Ad. 3 lines		15			
40	50	O. J. Thompson	" " 3 "		15			
31	48	Citizens State Bank	" " 8 "		40			
32	35	Central Bank of Wichita	" " 4 "		20			
32	45	The Ledger	18 in Adv.		180			
49	58	Walter Johnson	10 in Adv.		50			
30		Lacey Hallman	4 sheets card board			20		
34		Central Christian Church	Service Letter 2					
32		Pennsylvania R.R.	Night & Dayage					
35		Jefferson Bill	Salary					
36		John Smith	"					
36		Prarie Bazaar	"					
		TOTALS		1097.5	1205.5	1135.2	160	860

suggestions by me, and would not change. It is not what bookkeepers would call a 'regular' set of books, but if it is properly carried out it will certainly tell you exactly what your income is, what—well, as we have not got that far yet, perhaps right now we had better stay by the income alone."

"Of course you will understand that the first column is for the dates, just as written. The next column headed 'No.' is to take care of the number of the job, according to the job ticket and the number of the advertising jacket. It can be used for another purpose, which will come later, and we will not take the time to explain that now.

"Under the heading 'For' are the names of the various persons for whom you have done work, paid bills, given money, and other transactions. The first six items are part of the inventory which I have asked John to put down, and later we will put in the figures in some other columns to the right, but if they get this income thing started right it is enough for now.

"On the sixth line you will notice the words 'Accounts Receivable' and the figures under the heads in the columns to the right. This is as near as we can figure what was owed you on the first of the month. The amounts in detail, according to the different firms, are on this slip of paper, and will be used in another way later. The 'Cash on Hand' item on line 8 is to take care of what you had on hand in actual cash on the first day of the month, and as soon as John has discovered what the correct amount of that was we will put it in another column to the right.

"You will notice that two lines are left with your name and Smith's. This is for the purpose of putting down what both of you have in the concern, which will be figured out in a few days. The rest of the lines are the items which interest us right now, and if properly kept they will show you what your income is from the various kinds of work you do."

Bell looked at the open book and seemed very much interested. Perhaps much of it was like Greek to him, but we must not think that Bell was not capable of understanding things when explained to him. He certainly understood just what was done, but the idea that it would be of much use had not struck him, although he said nothing.

The cashier then went on to explain that every transaction of a business nature that occurred in the concern must be recorded in this book. It was the "book of original entry," as he called it. Every dollar received on subscription must be put down, the date the dollar was received and from whom, and the amount carefully put in the column headed "Subscription," and in the column "Description" an explanation given of the transaction. Lines 13 and 14 showed just how the matter of entering jobwork was taken care of, the other lines to and including 25 carried jobs and subscriptions. There were 25 lines to the page. The first two lines on the second page contained the name of the paper, which he said would be taken care of in other columns later, but the next lines down to line 45 showed how the different advertisements for the week had been entered and divided into the various classes under the two heads.

Line 38, however, recorded the fact that twelve copies of the paper had been sold, and the subscription column given the credit. Line 45 showed that four sheets of cardboard had been sold, and the amount entered under "Stationery."

All questions as to what the rest of the columns on the right were for, the cashier refused to answer, giving as an excuse that it was late, and perhaps in a day or two he would have time to explain, but John had an idea, and as the various transactions took place the amounts could be filled in, in the other columns.

As the other columns were blank we have thought best to follow the cashier's plan in showing our reproduction and not refer to them; in fact, they will not be printed, and as the columns are filled out by Mamie and John Smith we will tell, in the following chapters, just how it was done and the reason for each entry.

As Jefferson Bell looked at the two pages before him he plainly saw that if kept up, at the end of the month, for the first time in the history of his career as a publisher of a newspaper, he would know just how much business he had done, and just how much advertising, jobwork, subscriptions and other things had contributed to the total.

Knowing John Smith as well as he did, and knowing that John had always kept a record of his personal expenditures and income, Bell also knew that the record would be kept.

He walked home in silence, beside his better half, and although she looked at him several times, he went along with a slightly bent head, and she knew that

Jefferson Bell was doing some tall thinking and would soon have something to say.

"Mary," Bell said when they had reached home, "I hope you are now satisfied. The grand system of bookkeeping has been started in the firm of Bell & Smith."

And Mrs. Bell only smiled.

Cash

V CASH

THERE is no question but that all country news-papers make money. If they did not, how is it that so many stay in existence? Perhaps, when we say existence, that just about answers the question. They simply exist, and that is all. Yet, ask the average editor or publisher if he is making money, and he will at once assert that he is making "good" money. It is not the plan or desire right here to contradict that statement. It would not do any good to do so—it would not change the situation in the least. The *Banner* for ten or fifteen years had in some way managed to come out each week. All its bills were paid, and Jefferson Bell owned a little home on the edge of town. He ate three meals a day, and had a bed to sleep in. Did I say all bills were paid? They were, simply because nothing was obtained without the money in advance. Perhaps there had been a time when goods came on thirty days' credit, but that was long ago.

Yes, Jefferson Bell had prospered, in that he had managed to make a living and keep the wolf from the door, but he had become indebted to John Smith, his printer, now his partner, and to the bank. This he

counted as rather unfortunate, but still perhaps not so unfortunate after all, as he owed neither of them at the present time, and did not have to worry about Smith quitting him, and also he did not need to worry—if he ever did worry—about getting the money to pay Smith every week.

But Jefferson Bell had a wife behind him, as has many another publisher. Some one has said it is not to the credit of the country publishers that they manage to live and keep going, but to the credit of their thrifty wives. And Mrs. Bell was thrifty. She managed her home well, wasted nothing, and, being able to sew, accomplished wonders with a few yards of cloth. All the credit for getting along need not go to Jefferson Bell, not by a great deal. Many a time Bell came home on the day the "insides" were expected to arrive, and told his wife he did not have enough money to pay the C.O.D., and some way Mrs. Bell happened to have enough money to help out, and another issue of the *Banner* was saved to the world.

I like Jefferson Bell. I love him—a kindly man, with a great big heart, and with a great love for his newspaper, the child of his brain, the creature of his living thoughts.

Over my desk there hangs a picture. The central figure, the only figure, is that of a young man, sitting before a table on which lies a violin. His right hand is extended to the table, and the fingers are in the attitude of beating time. The window before him is open, and his gaze is far out to the great beyond, and through the haze of his cigarette smoke does he look. The picture is called "World Lost." He knows noth-

ing of the world, to him it is lost, and just the dreams of his music, the thoughts that came to him, are the only realities of the moment. Nothing else matters.

Now, this picture is almost that of Jefferson Bell. He lived in an atmosphere of his own—far from the realities of the world—where great words were written, where noble thought were given, and material things were not of any worth. Do you get what I mean? He simply—to put it in slang phrase—could not get down to earth. He was not materialistic. He could not think of such things as profit. If you were to ask him to define “profit” he could not do it in the sense that it means making a certain sum of money over and above a living.

A well turned phrase, a neat sketchy piece of writing, and an interpretation of Shakespeare appealed to him. He was a great friend of the principal of the school, and of the ministers of the town, who often visited him at the office and also at his home and discussed many things that the average man would consider a waste of time talking about.

John Smith was exactly the opposite. You could not possibly picture him dreamily looking out of the window, his fingers tapping the time of a tune that was but a thing of his brain, and with all the rest of the world shut out. John had about as much music in his soul as there is in a tin can. His sole contribution to the uplift of the world was a low, soft whistle, but what the tune might be no one had ever been able to figure. If he ever entered into a lengthy discussion over some obscure subject no one ever heard of it. But mention something about statistics, or figures, and

just plain money, and Smith was ready to take part.

Bell had kept his books in his head—at least that part which had to do with expenses and receipts—and nothing was thought of profits. He was perhaps like many another printer and publisher—if he had some money in his pocket on a Saturday night after paying the help and the rent, and paying for other things, then he had some money and business was good. Otherwise, if he had but little money, business was poor.

Not so John Smith. His little book contained a record of every cent he had received, every cent that he had spent, and his bank book told of the balances left over, which might be termed a profit. He always knew “where he was at.” There never was any guesswork about that.

This being the case, it could only naturally be the result that Smith would want to know just where the money came from to keep the *Banner* in existence, and always where the money went. He would never be content to pay bills out of money on hand, and divide if any was left over. Not John Smith.

I knew of two printers who actually conducted their business in that manner. The total receipts each day were divided between them, and when a bill had to be paid, each paid his half. It may sound good, but it is a mighty poor way to run a business.

Smith had found out that whenever he received money he had to do something with it. Either it was spent or put aside for saving. The idea got into his head that in every transaction there are two sides, and two records must be made of the transaction. When

he talked this over with the cashier of the bank he soon learned of one of the laws of bookkeeping, which it is just as well to discuss here.

The first point that should be impressed on the mind of any person who wants to have a system of bookkeeping is that whenever a debit entry is made a credit entry must also be made. Books must balance. If \$5,000 is put into a concern, then each person putting in any part of this sum is credited with the amount he has put in, but cash is debited, or shown to have that amount. When money is spent, then cash is given the credit, and whoever gets the cash is debited.

It is the common law of mathematics, and also of nature. Just as a pendulum swings to the right, it must also swing to the left. It is the law of balances, or the positive and the negative. Each must be used in the keeping of books.

If the income must be debited with whatever is sold, then it must be credited with the cash that is received, in order to show how much of the possible income actually becomes money.

It became very hard for Jefferson Bell to realize that he must no longer put the money he received for subscriptions, or anything else, into his pocket, and promptly forget about it, except to spend it. This had so long been a custom with him that it took extra strong mental power to get over the habit of putting into his pocket whatever money he received and forgetting to turn it over to Mamie to be accounted for.

Smith had the good sense to remember that this had been Bell's habit for many years, so he bore with

patience the many slips where Bell forgot to turn in the cash.

Gradually Bell acquired the habit of turning in cash he received from subscribers whom he chanced to meet on the street, and who wished to "pay up for the paper." Especially did this impress him as being right when at the end of the first week in November Smith handed him \$18.00 in cash, with an understanding that thereafter each member of the concern would have his salary paid each week—Bell and Smith alike, except Smith would take fifty cents less a week.

Nothing could have impressed Bell more than this, as he had never taken any stated sum from the paper each week, and it would have been difficult for him to really say how much money he had ever taken from the concern. That weekly receipt of a salary from the business meant more to him than Smith realized. Other things done to put the place on a business basis were more or less irritating to Bell, but for him to know that each week he would receive a stated sum was truly an awakening as to the possibilities of running a paper on business principles.

That night when he went home and took the \$18.00 and handed the sum to Mrs. Bell. That she received the money in surprise may be putting it mildly, and both she and Bell talked that night for several hours about the change in affairs in the running of the *Banner*, and about John Smith in particular.

Next morning Bell went about his work at his desk in the same way as usual except that he would glance frequently at Mamie's desk, and once or twice he got up and walked over to it. To one who was watching

DATE M./ NO.	ACCOUNTS FOR	DESCRIPTION	INCOME				CR. DR.	CASH CR. DR.
			JOB WORK	ADVERTISING	LEGALS	STATIONERY		
		BROUGHT FORWARD						
1	Office furniture	Inventory						
	Candering Room	"						
	Job Business	"						
	Business Office	"						
	Bindery	"						
	Job Sticks	"						
	Accoumts Rec.	"	67.25	108.65	111.30	1.40		
	Cash in hand	"						
	Jefferson Bell	Partner						
	Allen Smith	"						
1	Auto Insurance	Subscription						
	Auto B. & H. Tax	"						
21	People's Dept Store	5m Stock	10.50					
22	Citizens Bank	500 Notes	2.25					
	A. B. Miller	Subscription						
3 24	Ohio Real Estate Co.	Stock and Bonds	16.00					
	" "	" Subscription						
4	Ohio Division	" (270)						
	25	Ohio Real Estate Co.	200 Bonds	3.25				
26	Tanners Hotel Co.	500 Stock	2.15					
	Bureau of Labor	Books						
5 27	Ladies Aid Society	250 Soda can	1.25					
	O.D. Picklehouse	100 Auction Bills	6.00					
	" "	Subscription						
	American Life Co.	Ready Paints						
		TOTALS	1097.5	1086.65	111.30	1.40	800	800
							60.15	68.48

FIG. 3.—PAGE 1 OF COMBINATION CASH JOURNAL, SHOWING CREDITS FOR INCOME ACCOUNTS, ALSO CASH ENTRIES

DATE	NO.	FOR	ACCOUNTS	INCOME						CR.	DR.	CASH
				DESCRIPTION	JOB WORK	ADVERTISING	LEGALS	STATIONERY	SUBSCRIPTION			
19//	6	Banner	Brought Forward	1/05 25	1/05 65	1/11 30	1/40	8 00	8 00	60 15	68	
21	"	R.W. Matthews	3 hrs Plate							100		
22	"	Dollie Johnson	Adv. 30 min		3 00					100		
23	"	Citizens Bank			25							
24	1	Richard W. Strand	Legal (26 lines)			25						
25	1	Pearlie Left Star	15 lines Header			60						
26	53	Dollar Standard	"Lines" 12 lines			120						
27	54	R. L. Sonnenberg	"Pictor" 20x26 cm (first time)			144						
28	60	J. H. Tolman	6 days Adv. 3 lines		15							
29	61	Grace & Son	"Palard" - 18 in		370							
30	62	Frank Aldrich	12 lines Paper			15						
31	63	A. L. Wilson	Adv. 120 x 3 lines			25						
32	50	A. G. Thompson										
33	48	Citizens State Bank				40						
34	35	Whitfield Estate Co.	" " 4 "			20						
35	46	The Tanager	18 days Adv.			180						
36	58	Walter Johnson	10 min Adv.			50						
37	64	Lucy Williams	4 sheets Cardboard				30					
38	65	Central Illinois Co.	Inrone Paper 7x2									
39	66	Pennsylvania R.R.	Milk & Dangar									
40	67	Jefferson Bill	Salary									
41	68	John Smith	"									
42	69	Janice Brown	"									
43	TOTALS			10625	12035	11352	160	960	920	6135	573	

him it was very plain that curiosity was taking hold of Jefferson Bell, and that there was something on that desk he wanted to know more about.

Finally, just before noon, he went over to Mamie and asked her to show him more of that book they were keeping the accounts in.

"Oh, Mr. Bell," Mamie exclaimed, "we don't keep the accounts in that book. It is simply the book the daily transactions are put in, and then afterwards they go into other books."

"Well, how many books do you need?" Bell asked rather impatiently. "I thought that this book was all there was to it."

Mamie glanced at John Smith, who was at work filling galleys with dead matter ready for distribution, and having received a nod she turned to Bell and started to explain some things about the "Combination Journal," which he was very intently examining.

"You will remember, Mr. Bell," Mamie said, "that when you were here the other night the cashier explained about putting down all the transactions in this book, and that it was the book of 'original entry,' as he called it. He also explained about the various items, and how they were debited to the 'Income' column.

"You will see on line 11 (Fig. I) that the dollar Haverlan paid on subscription has been debited to 'subscription,' as have eight other items. You remember that Mrs. Aldrich did not pay for the twelve copies of the paper she wanted, so there is no cash entry for that, although subscription is debited (Fig. 2). Notice that alongside of the word 'Income' there

is a dividing line, and that 'Cr.' is printed in the next box heading. This is for placing the amount of credits or the amounts paid that have been debited to the various items under 'Income.' By adding the total of the various items of 'Income,' and taking the total of the 'Cr.' and subtracting that amount we will have the balance that is owing us from everybody."

Mamie then went on to explain that "Debit" represented what was due the firm, and "Cr." the amount paid the firm. Having credited "Income," it was necessary to transfer the amount to something else, and as it was cash, then "Cash" was debited with the amount of money received.

Line No. 8 (see Fig. 1) showed that there was \$52.15 on hand the first of November. During the week enough had been collected so that the total debit column on the second page (see Fig. 2) showed a total of \$61.35. During that time some money had been spent, and "Cash" had been credited with whatever had been spent, so that the balance on hand at that time was the difference between \$61.35 and \$57.31, or \$4.04. That was the total wealth of the concern in cash at that time.

"Then at any time you have simply to take one sum from the other and the cash you have on hand should equal the difference. Am I right?" Bell asked.

Mamie assured him that he was right, and also that they not only would know exactly how much business had been done but also know how much had been paid for, where the cash had gone, and the amount of cash on hand.

It was all very simple. The jobwork or advertising done and the subscriptions received were entered in the right columns. If paid for at the time, the "Income" was credited and "Cash" debited. If paid for later, the same thing was done. Any person could readily see that at the end of the month every business transaction would be shown, and also how much of it had been paid for, how much cash had been spent, and the balance of cash there was on hand.

"And to think," Bell said as he went to his desk, "that all these years I have thought bookkeeping was so complicated. That seems simple enough."

"You are right," John Smith said, stopping his work for a moment. "There is nothing so wonderful about bookkeeping, only the trouble has been that too many books have been used to do a simple thing."

"Well," Mamie put in, "just what I explained Mr. Bell is not all there is to keeping that book, I am sure, although that is as far as the cashier has shown me. How about the rest of the columns in these sheets?"

"A lot of things have got to happen first before we think about using them. I'm going to dinner."

And Mamie and Bell followed his example.

Credit

VI

CREDIT

ASK the average small printer or the country newspaper publisher who represents "capital" to him, or perhaps the two concerns that give him the most worry, and he will promptly name the bank and the wholesale paper house. Most printers are in debt to either of these, or both. The paying of the help each week and keeping the bank account in the clear, and paying the paper house or supply house each month, are the big business events, with which they have to contend.

The banker—at least we may have the supposition—does not look with much favor upon the average printer's account. So far as the writer is concerned, he knows that the bankers never invited his account; in fact, they called him to account many times over the account being in red.

The paper houses and typefoundries all had a habit of sending statements each month, and also gentle reminders time and time again that certain payments would be appreciated. The gentle art of writing a good stand-off letter had to be highly developed—and I will gamble almost anything that printers have it learned better than any other class. The art of totally

ignoring requests for payment, of knowing which letters are advertisements, which are requests for money, and which contain money, also had to be developed. It is a sad, sad world when other people so persist in wanting money in a big hurry, and then refuse to ship more goods unless the money for the goods you have used is paid. No other grief can quite compare, and I know all about it. I have sometimes thought that the printers and publishers who were C. O. D. customers were almost to be envied. They might have trouble in digging up the money to pay the drafts or the expressman, but they did not receive requests to remit—to put it gently—nor have worries over the 10th of the month coming around, and having to hustle money to pay all those confounded accounts.

Jefferson Bell had been one of those printers who paid only when they got the goods. In times past he had been quite careless in sending money to pay for goods he had ordered. Checks he had sent to pay accounts, with all good intentions on his part, had been sent back by the unfeeling bank marked "insf"—which means "Insufficient funds." Once or twice he had to dig up \$3.75 extra, when the bank had deliberately protested checks and sent them back to the ready print house. This caused a severance of diplomatic relations between Jefferson Bell, the cashier of the bank, and the ready print house. It was the straw that set the whole business world of Jefferson Bell on fire, and when the flames following the explosion had cooled down, the bank no longer carried the name of the *Bladon Banner* on its books, and the ready prints came C. O. D. each week. That was several

years ago, and up to the time that John Smith purchased a half interest in the *Banner*, thus avoiding a great distress that was impending, there was no bank account, and goods continued to come into the office bearing the C. O. D. stamp.

The first week after John Smith entered the doorway of the *Banner* office, some few years before our story commenced, he entered the door of the Citizens State Bank of Bladon, and made a deposit. The cashier looked at him in curiosity, but took the money, made out a pass book, took John's signature, and handed him a check book. He did not do this with any degree of pleasure, however, but rather with the feeling that here was more trouble and that another account had been entered which would have to be watched very closely for overdrafts. Imagine his surprise when he found that the pass book was balanced each month, that the account was growing a little, and that the total of deposits were always larger than the amount of checks drawn.

The amount soon reached a fairly good size, and then when the cashier had a chance to make a real estate turn, but lacked enough of his own money, he thought of John Smith and talked the matter over with him, with the result that the account grew a little larger. Several times this sort of thing was enacted—and once with a loss. But John never grumbled, and the cashier's confidence in him increased. A big deal came up, and the cashier wanted John to quit the printing business and enter into it. John refused, much to the cashier's surprise.

"I'm with you in anything worth while," John had explained, "but I can't leave the old print shop. I am like thousands of others—just printers. We love the business, there is something in the smell of printer's ink, the feel of the type, and the jangle of the presses that has become a great part of us—and that's what makes us just printers."

Had Jefferson Bell as much as imagined what was going on, he would have certainly been a much more surprised man. Up to the time of John's becoming a partner, he had looked upon him as merely a typesetter, and nothing more. Of John's past history before coming to Bladon he knew nothing, and took him as just one of the wandering printers intent upon getting a job, who would in a few months leave for other fields.

It is not surprising, in the light of what has been written of John Smith, that having no bank account and the ready prints and paper coming C. O. D. was not to his liking. Every other merchant in Bladon, with possibly only one exception, received goods without paying for them in advance. They all had bank accounts, and John also knew that some of them carried good healthy balances. That the *Banner* was not among the number hurt him, and he determined that it must soon be remedied.

Jefferson Bell paid little attention to what was going on in the back room except on days when the paper went to press and it became necessary to help get the paper out. He had found John fully capable of taking care of that end of the business, and as the duties of editorship rested heavily on him, Bell was

very content to forget the mechanical end of the business. Very rarely did he go down to the office after supper. He had a fairly good library, and took some exchanges home with him, thus managing to find plenty to do at home to keep him busy. Also, the principal of the schools and the two or three ministers of the town found an agreeable place to meet and talk at his home—and Mrs. Bell had a very excellent habit of serving delicious coffee and lemon pie along about 9:30, just before they had to go home. Much has been written about the village grocery as the center of gossip and politics—but some day some one will write and give to the world the credit due the home of the country editor, to the men who have gathered there to discuss world and national events, and to the editor's wife for providing such a delightful place to gather in.

On a few occasions Bell would wander down the street in the evening, and at such times would enter the printing office, and perhaps sit in his chair, smoke a cigar, and think of some of the things he wrote for the paper. He did not know why he went out that November evening, but it just seemed like fate. Any-way, he wandered down the street, unlocked the door of the office, and entered. He started to light a cigar, but finding he did not have any matches he went out to where Smith kept a supply. On his way back to the front office he happened to notice some work neatly piled up on one of the tables, and, curiosity getting the better of him, he picked up one of the sheets.

Surprise would be a mild term to use in recording what happened to Bell right at that moment! The

job was evidently for the Citizens State Bank, and was in the nature of a check, but up in the corner was this card: "*The Bladon Banner*, Bell & Smith, Props. Job printing neatly executed. *The Banner*—Essex County's leading paper." There was but one meaning to all this—Smith was going to start a bank account!

Bell was a good sleeper, but for the first time in many years Mrs. Bell noted that he rolled and tossed and seemed to sleep but little that night, and the next morning started out to the shop more quickly than usual, seemingly in a determined frame of mind. Mrs. Bell was slightly worried, but felt that it might be only some little thing that had gone wrong at the office, or something connected with county politics that was disturbing the otherwise imperturbable serenity of Bell.

Upon reaching the office Bell at once went to the back part of the shop, but Smith was not there. Bell then went to his desk, grabbed an exchange and looked at it. He watched the door with a corner of one eye, and several times looked at his watch. To add to all his other worries, Smith was late! Not in all the years Smith had been in his employ had he ever failed to come to work on time. In fact, Bell did not know just when Smith really started to work in the morning, as he was always on the job when Bell came down, early or late. But this morning, of all mornings, Smith was late! Nine o'clock came, then nine thirty, then ten, and no Smith. Bell's seeming agitation drew Mamie's attention to him.

"Oh, Mr. Bell," Mamie said, "I forgot to tell you that Mr. Smith went to Columbus last night. He told

me to tell you the first thing this morning, and here I forgot."

"Humph," Bell grunted, "what's the occasion?"

"I don't know," Mamie replied, "but he told me to tell you he would be back tomorrow."

Could anything be more distressing? The discovery of the bank checks, and now Smith had gone to Columbus. It seemed that the day would never end. Mrs. Bell was certainly worried by the next morning, but to her questions Bell would give no definite replies, and being a wise wife of a country editor, she held her peace, knowing full well that the steam would escape in time and she would know all.

When Bell arrived at the office the next morning Smith was whistling his usual air just as though nothing in the world had happened, and he was at peace with everybody, and the world was all right. Bell sat down to his desk, and saw in front of him the checks he had previously discovered, but instead of being loose they were neatly bound.

"Mr. Smith, may I have a moment of your time?" Bell inquired in a tone of voice only heard on rare occasions.

The whistling ceased, for when Bell spoke in that way and in the tone of voice he was using, Smith knew that there was trouble brewing. But, this time Smith's face wore a smile.

"Certainly," he said as he came over, and without waiting for Bell to say anything, added, "I guess you want to see me about those checks. Well, I am now ready to tell you why, and a few other things, if you want to hear them."

"I most certainly do," Bell replied.

The substance of what Smith said was to the effect that he believed in credit. The *Banner* gave credit, and was entitled to credit. The basis of all credit was faith and honest business methods, and the first faith of right business must be put in some institution where money might be left until needed. That institution must be conducted on the faith that those who left their money on deposit would not abuse the privilege or draw more money than was on deposit. The leaving of a balance always on hand made it possible for them to have a surplus, and this they could loan out on faith to whoever might need the temporary accommodation, and would return the money in due time and be glad to pay for the use of it. Therefore he believed in every business concern having a bank account and never abusing the faith of the banker.

He further believed that as they sold goods to be paid for in the near future, the firm of Bell & Smith was entitled to the same consideration, and his little trip to Columbus was for the purpose of putting the matter right up to the ready print concern and to the wholesale paper company, and instead of having their goods come C. O. D., to have them come on regular dating, and with the usual discount privileges. It had been no easy task to get these firms to see the light, but finally they had consented and arrangements were made whereby the ready prints would be sent for thirty days on regular terms, and the paper house would give up to \$50 credit, but all bills must be paid promptly.

Smith then went over to Mamie's desk, and brought the book which Bell had examined on previous occasions. A new page had been started, and under the headings of "Cash," "Bank," and "Accts. Payable," there were a number of entries.

"We have been debiting 'Cash' with the amounts received, and crediting it with cash paid out. We have now come to the point where we can use a 'Bank' column, and when a deposit is made we will credit cash and debit bank. Notice on line 56 that 'cash' has been credited with \$77.36, and 'Bank' debited with that amount. Now we are ready to use checks to pay ourselves and our bills, and the rest of the entries are for checks, which you and I will have to sign, and then the records made here will be complete.

"The debit side of the 'Bank' column will show the deposits and the credit side will show the checks. The difference between these will show the amount of money in the bank. There is no need of overdrawing, as we will always know how much money we have in the bank. I will not sign a check unless we have the money on hand.

"The 'Accts. Payable' column is to keep track of our purchases, and the book shows on line 63 that we have bought some paper from the Central Paper Company, and 'Accts. Payable,' has been credited with the amount. On line 70 a check is recorded, showing the amount to be less than the bill, as we have taken the cash discount. The full amount of the bills or invoice is debited to 'Accts. Payable,' and by carrying out such transactions for a month we will know exactly

CR.	CASH		BANK		ACCTS. PAYABLE	
	DR.	CR.	DR.	CR.	DR.	CR.
9.90			613.5	573.1		
27.45			274.5			
7.85			7.85			
19.25			19.25			
6.00			6.00			
127.5			127.5			
			77.36	77.36	18.00	
					17.50	
					6.00	
1.95			1.25			
76.4			76.4			
					8.89	
					8.89	
						1.10
38.00			38.00			
64.00			64.00			
					102.00	
					102.00	
					3.85	
					26.89	
						37.65
74.0			74.0			
21.0			2.00			
202.79			251.94	149.44	188.25	94.19
						37.65
						434.3

DATE 1911	NO.	ACCOUNTS FOR	DESCRIPTION BROUGHT FORWARD
Mar.	8	Polk Malt House	On Acct.
		Citizens At. Bank	" "
7	9	Ohio Real Estate Co.	" "
4	10	O. A. Fischbeck	" "
5	11	Farmers Home Co.	" "
	12	Deposit.	
7	13	1 Jefferson Bill	Salary
	2	John Smith	" "
7	3	Granville Brown	" "
7	15	Ladies Aid Society	On Acct.
		Moses & Son	" "
	16	Rhebit	
3	17	Central Paper Co.	June, Nov. 15
4	18	Western Press Assoc	Ready Prints.
5	4	American Egg Co.	Eggs
		Palmers & Johnson	" "igals"
7		McLean County	On Acct.
8	10	Post Office	Bagsage + Post.
9	5	John Clark	Inv. Jl -See Winst
0	19	Central Paper Co.	
0	6	Citizens At. Bank	Rent
1	7	Ohio Electric Co.	Power
2	8	Farmers Home Co.	Gas + Oil
3	9	The Coffey	On Acct.
4	20	Walter J. White	" "
5			TOTALS

FIG. 5—COMBINATION CASH JOURNAL.

how much we have bought, how much we have paid for, and how much money we have in the bank.

"Instead of guessing at what we are doing, this will tell just what we are doing. And that is something I believe in. What do you think of it?"

"In consideration of the possible feelings of Mamie, I will not express my feelings," Bell blurted out, "but may I inquire how much more damp-hool bookkeeping and other stunts you are going to pull off?"

"Just as many more as will put this place on a right business basis and make us able to answer intelligently questions asked by those from whom we buy, get us rated in Dun's, Bradstreet's, and another book they call Typo or something, and enable us to know whether we really are making any money or not."

"Perhaps," Bell sarcastically said, "you will also have time for other work besides this!"

"Mr. Bell," Smith said with determination, "you have not been asked to do one thing more than before, and you get your salary every week. You will not be asked to do any of this work, which really amounts to but a few minutes each day. The only thing you will probably be asked to do is to share some of the profits that will come from this concern, because I am out to make some money. Otherwise you need not trouble yourself."

Could it be possible John Smith meant it? Could it be possible John Smith was really angry?

Mamie industriously set type, while Bell gaped at Smith with astonishment and did not recover himself until Smith had gone back to one of the platen presses and begun to wash the ink plate.

Bell turned and looked at Mamie and Mamie looked at him, then grabbing his pen he began to write and editorial. And thus ended the first near-quarrel in the firm of Bell and Smith.

Merchandise

VII

MERCHANDISE

IF YOU remember, the division between the "back room" and the front office of the *Bladon Banner*, as shown in the diagram of the new arrangement of the plant John Smith made when he had the opportunity, consisted of shelves on which the paper carried in stock could be piled. Doors had been placed in front of the shelves to protect the paper, and as we know that John Smith was an orderly soul, it can be taken for granted that the paper was neatly piled and arranged, with the ruled goods in one end and the reams of flat stock and bonds at the other, and cardboards, cut cards and other items in between. Even the inevitable "scraps" were arranged in piles and in some instances in bundles with string around them, and the size and quantity plainly marked. In the shop of the *Bladon Banner* the method of keeping and handling paper was an exception to the general practice. Such a method is seldom employed today.

It is a poor storekeeper, indeed, who does not keep his stock of merchandise or wares in some orderly arrangement and pay some attention to its care. He knows full well that he must sell this merchandise at something over what it costs him, and to do so it

must be kept in reasonable selling condition. If dirty, soiled, torn or damaged, he will be mighty lucky to get enough to cover the bare cost of the article to him. He is merchandising and selling merchandise the people want and in the shape they want it.

The printer, on the other hand, learns that he must distribute type in the proper boxes, secure the proper impression on his press, and a thousand other things that must be properly executed. He learns his "trade" as far as the mechanical part is concerned, but neglects to take into consideration that possibly he is also somewhat of a merchant as well.

He is too intent upon the niceties of the mere printing of the paper and the delivery of the "job" and forgets that the paper he uses is the "merchandise" end of his business.

Not only does that pertain to the actual care of the paper, but also in the matter of figuring selling prices.

At the time of this story, not much had appeared in trade papers, nor had many speakers orated about profits. It was something almost unheard of in the printing and publishing business. To illustrate the actual conditions then—and perhaps to considerable extent at this time—a printer, upon being told something about profits and costs, was very much impressed.

"Do you know," this printer said, "I have always thought that if the paper in a job cost me \$1.25 and I sold the job for \$4, I was \$2.75 ahead?"

That it cost anything to handle stock that a profit on it should be made, as well as the charge for the actual work, was something quite unthought of—and is even now with many printers. In thousands of

cases printers have delivered jobs with hours of labor on the work, in addition to the paper, and have charged for the total just about what the average merchant would have charged for the paper, on the basis of what it had cost him, without a minute's work. In many lines the selling price of merchandise is just double that of its actual cost!

This matter of paper being merchandise, and not just something to kick around the office until printed, had been the subject of many talks between John Smith and the cashier. The cashier would give lengthy arguments about the matter, and figure that of course the paper should be handled as merchandise the same as in other lines.

As a result of all these talks, when it came to devising the bookkeeping system Smith intended to use, he decided to have some method of keeping track of the amount of merchandise that was bought and the amount used.

In thinking the matter over, and also talking it over with the cashier one evening, it was decided that the "merchandise" in the printing office consisted not only of the paper stock, but the ink and plates used in the paper from time to time. They were what the cashier called "quick assets," because they represented cash, or things that could possibly be turned into cash.

Smith argued for some time about the matter of ink, but finally conceded that various amounts of inks were used on various jobs, and that the ink should be used as an item of merchandise.

No. Line	Date	No.	Description	In- come	Merchandise Dr.	Merchandise Cr.
6	Nov. 1		Job Stock, Ink and Plate Inventory		\$ 64.65	
13		21	Peoples Dept. Store, 5m Statements	\$10.50		\$ 3.00
14	2	22	Citizens Bank, 500 Notes....	2.75		.60
16	3	24	Ohio Real Estate Co., 500 Folders	16.00		2.45
19	4	25	Ohio Real Estate Co., 200 Contracts	3.25		.35
20		26	Farmers Hrdw. Co., 500 Statements	2.75		.60
22	5	27	Ladies Aid Society 250 Dodgers	1.15		.10
23		28	O. A. Mickelson, 100 Auction Bills	6.00		.50
25			American Exp. Co. Ready Prints	6.84		
				\$ 71.49	\$ 7.60	

Page 2

26	Nov. 6	23	Banner, 1320 Copies		\$ 6.84	
27			Banner, 3 Cols. Plates75	
45			Lucy Gilham, 4 sheets Cardboard	\$ 0.20		.15
46			Central Ohio Paper Co., Invoice		\$ 8.23	
47			Pennsylvania R. R., Freight and Dray74	
				\$ 80.46	\$15.34	

Page 3

63	Nov. 17		Central Ohio Paper Co., Invoice		\$ 37.65	
64	18		Western Paper Asso., Ready Prints		5.78	
65		4	American Express Co., Express		1.10	
69		5	John Clark, Drayage and Freight		3.85	
				\$128.84	\$15.34	

Items in the Combination Cash Journal showing methods of handling merchandise. The above table should be compared with the reproductions shown on preceding pages.

Having settled the matter of obtaining credit from the wholesale paper house, and a stock of paper installed, Mamie was duly instructed how to use the "Merchandise" account portion of the cash-journal book.

Immediately after the "Accts. Payable" columns, there was a "Merchandise" column with debits and credits like the rest of the columns in the book.

The entries for the various jobs of printing were carefully gone over, but first the result of the inventory of the paper stock was written in the "debit" column of the "Merchandise" account.

"This item," the cashier explained to Mamie, "shows that the 'Merchandise' account owes the firm \$64.65 in either paper stock, ink or plates.

"On line 13 we have charged the People's Department Store with 5,000 statements amounting to \$10.50. Of this amount John tells me that the stock and ink are worth \$3.00. As this amount of our inventoried stock has been used, we will credit the 'Merchandise' account with \$3.00. We can go right on with the other jobs in just the same way, crediting the 'Merchandise' account with the stock and ink used on each job.

"That item on line 25 for the ready prints wants to be debited to 'Merchandise,' and then on the next page on line 26 'Merchandise' wants to be credited with the same amount as the ready prints which were used in printing the *Banner*. Also on line 27 is indicated that three columns of plates were used, and 'Merchandise' should be credited with 75 cents, as we have inventoried all the plate on hand at that price.

"The totals on page 1 show that we have debited 'Merchandise' with \$71.49, and credited 'Merchandise' with \$7.60, which represents the amount of merchandise on hand. These amounts we carry forward to the next page.

"On line 45 it says that Lucy Gilham bought four sheets of cardboard.

"Say, Mamie, I wonder what Lucy does with all that cardboard she buys of John. I never see it up at the house. Can you tell me?"

Mamie shook her head, but her smile seemed to make the cashier understand the situation, so he went on with the explanation, despite the fact that he could not comprehend just why his sister wanted four sheets of cardboard.

"Well, as Lucy bought the cardboard, and it is here recorded, we will figure the cost of the stock as 15 cents and credit 'Merchandise,' although I think John should be given the credit for the sale. All sales of cardboard or paper, even though not used in a job, should be recorded in just the same manner, and John, we may be sure, will record the transaction, you can bet on that, even though it shows up against him and Lucy.

"On lines 46 and 47 are entered the facts that John dug up \$8.23 and also 74 cents freight and took out that C. O. D. shipment of paper, and as that has been done, we debit 'Merchandise' with the amounts."

"But, Mr. Gilham," Mamie exclaimed, "the 74 cents is for freight, not paper!"

"You are right," the cashier explained, "but it is for the paper and therefore adds to the cost of the paper, and should be debited to 'Merchandise'."

"Then, when we figure the cost of paper on a job, in order to give the 'Merchandise' account proper credit, we must not only figure the ink, but the freight on the paper as well."

"Yes, you are right, and if you do not do this you will find in a short time that the 'Merchandise' account will show a lot of merchandise on hand, when actually there is not a sheet of paper."

"I don't think Mr. Bell ever thought of that in making prices."

"Mr. Bell is a great thinker," the cashier answered, "but not about business."

As is usual when two persons get to talking of something, and by chance the conversation takes a turn, the new topic becomes absorbing, and so it was with the subject of Jefferson Bell. These two knew him, his faults and his virtues, and should any one else have assailed him they would have been the first to hotly defend him, but as they went into the keeping of books for the little print shop of the *Bladon Banner*, they could not help talking of the lack of business methods in the past conduct of the business.

And then came the following comparison between the partners, Bell and Smith.

"Those two make an ideal pair, to my mind," the cashier said. "Bell is a thinker, a dreamer, but a mighty shrewd politician at that. But he is honest, he would not do a dishonest thing and can't see where the politicians of the country are using him."

"Yes, they are an ideal pair all right," Mamie agreed, "and John Smith is honest, too, but out for

his rights. We can talk about his keeping track of every cent, but he is not stingy."

"I know that," the cashier replied, "and he might keep track of the amount of candy and cigars he gives Lucy and me, but I will say they are good."

Mamie laughed at this, and then, seeing Smith coming down the street with Jefferson Bell, they went on with the real matter at hand.

"The third page, on lines 63, 64, 65 and 69 are but repetitions of lines 46 and 47 on page two," the cashier started to explain, "and the totals of page three show a debit of \$128.84 and a credit of \$15.34, or a difference of \$113.50, which represents the amount of paper stock, ink and plates that should be on hand."

"Isn't that great," Mamie said. "We can always tell just how much paper we have, how much money in the bank, how much we owe, and how much job printing and advertising we are doing, and also how much money we are taking in on subscriptions. And it is so easy to keep track of them, too. To think this has never been done before."

"Well," Jefferson Bell said, as he entered the door, "have you two got everything down pat now? It looks to me as though the firm of Bell & Smith were going to be bookkeeped right, and have the greatest and most up-to-date system of higher accounting in the world."

"Oh, I don't know about that," the cashier said, "but Mamie here is an apt scholar all right, and with John's desire to know what the concern is doing, I guess you will have a fairly good set of books."

"To say nothing," Smith added, "of the wonderful instruction Mamie is receiving. We are certainly indebted to you for the interest you are showing."

Smith wondered why Bell trod on his toe that moment, but said nothing—just wondered.

The cashier suddenly had other business, Mamie went to work at the case setting type, and Bell and Smith sat down in the front office.

"I agree with all you say," Smith said, "but just the same it costs money to run this paper, and I see no reason why we should boost all those politicians for office. I have set columns of it—hundreds of them—and if you have ever been thanked for what you have done for them, I never heard of it."

"One must do something for the party," Bell answered, "and in the interest of good government. Can you ignore that? I have stood for your bookkeeping, your systems, and the hiring of Mamie, and all the other new fangled things you have done, but we might just as well understand each other—I am the editor."

"All right," Smith said, "I don't want to interfere with what you do as editor, or anything like that. That is your business and you can boost those fellows to the sky, but I always figure that when I work I want some pay, especially if the other fellow gets some benefits from my labors."

"That is a sordid view of the matter, and I am glad that I do not feel about this matter as you do. Where would the country be if every newspaper would do as you say, and commence charging candidates for 'advertising,' as you put it?"

"I don't know anything about the country," Smith put in, "but I do know that country newspapers would be a darn sight better off, and if they quit printing nine-tenths of this political stuff I think the readers would be better off, to say nothing of being greatly relieved."

Bell shook his head, and taking his pen began to write an editorial commenting upon the high qualities of the candidates of his party for county offices.

Smith went over to the paper shelves and commenced to count out some bond paper he intended to use on a job of printing for the Citizens Bank.

Accounts

VIII ACCOUNTS

JEFFERSON BELL was a great power in his county, probably more so than he realized, but he never tried to profit from that power. He seemed content to sit in the background, in a way, and through the *Banner* have his say upon important political events. He would say what he thought with no regard for the financial consequences, yet remain loyal to his party in the end, and this made him an important factor, one to be taken into account. And what was true of him is true of thousands of other country editors to whom personal benefit is the last thing to be thought of, or was ten or more years ago. So on the night that a number of party leaders were in close consultation with Jefferson Bell over political matters, discussing issues and politics of the county, John Smith was busy at a much different task, and with him was the cashier of the bank.

This evening the conversation of the men drifted around to the condition in which they found the books of the *Banner* when Smith took over the business management, and the changes they had made in the methods of keeping accounts.

"It does seem strange," the cashier said, among other things, "that a man will become so wrapped up in trying to save his country and getting the right man to hold office that he will neglect his own business affairs."

"Can't do two things at the same time," Smith replied.

"Nonsense," the cashier sniffed, "why not? A man can serve his country all right and really do the country a favor by taking care of his own interests also."

On the following day Smith went into the bank and again brought up the matter of accounts.

"That old ledger of Bell's is almost worn out. It is dirty and torn, and we ought to have a new one. What kind should we get?"

The cashier took down a catalogue of a stationery supply house and turned to the page where various kinds of binders, ledger sheets and other things of a similar character were shown.

"The kind of a ledger I would advise you to buy is a 2½ in. loose leaf binder like this illustration, the page size to be 9½ by 11¾. This is the standard size, and the most convenient. One with a round back is preferable, although some say the flat back is better. You can suit yourself. The matter of ledger leaves is the most important, and I like this style myself. It is different from the old fashioned ledger leaf with 'debit' and 'credit' sides, and it provides for a 'balance' column, where the balance can always be kept."

"Guess that is about right," Smith said, "and I wish that you would send for one, and 250 sheets, and

an index too. You didn't say anything about one, but I see they are listed."

"This will fix you up with books, and you will only have to buy new cash journal sheets when you need them, and ledger sheets, too, although you may have to buy transfer binders for both of them—that will come later. I'll order these at once, and then when they come, we will start Mamie to posting the accounts from the journal to the ledger, and finally get a trial balance."

It was several days before the binder and the ledger sheets arrived, and meantime Smith was thinking about the method, or lack of method, of keeping track of subscription accounts. Some years ago Bell had bought a book for this purpose. It was a long narrow book, with slots in the thick leaves to carry slips of paper. The names of the subscribers were written on these slips, and one or more leaves were devoted to each of the different post offices. When a subscriber changed his address the slip was removed to another page, and when a subscriber paid for his subscription the matter was recorded on the slip. Even this was in a deplorable state, as a mailer had been installed in the plant and the entire subscription list set in type. Attempts had been made to keep up both of them, but in a large number of instances neither was accurate, and sometimes the slips would show that a subscription had been paid, while the type in the mailing list did not show it, and then the reverse. In case of a dispute with a subscriber the only safe way, apparently, was to take the subscriber's word for it.

To John Smith's orderly mind this was something

that must be changed. If the keeping of accounts with advertisers was important, why not with subscribers, even if there were a large number of them?

For Smith to think about a thing meant that in the end he would do something. So it was with the subscription account. He spent one evening going over the old subscription book and figuring on sheets of paper. Finally he smiled with satisfaction. The next day he printed some index files which the cashier had but did not use, and then he and Mamie started checking over the mailing list with the old subscription book and began filling in the cards. The cashier came down a couple of evenings and helped with the work, and finally it was completed, the galley corrections made, and a complete index of the subscribers brought up to date.

The cashier made a valuable suggestion which was immediately acted upon.

"Why don't you put the index cards in the boxes according to months," he said. "Then you will have a record of when the subscriptions expire. The galley proofs will give you the date of expiration, and by turning to that month you can get the card. On the other hand, by having the cards according to months, Mamie can take these cards the first of each month, make out the bills and send them out. As the subscribers pay up, the cards can be advanced a year ahead under a new index, and you do not need to refer to them unless it becomes necessary to make a change of address. The delinquent accounts will be shown up in the old index guides, and will be a reminder that you ought to get the money."

"Not a bad idea," Smith said, "and we will do it. And by having them in this way it will make it necessary for us to keep both the galley lists and the card lists right up to the minute."

"Why not print the galley address on the back of the card?" Mamie asked. "It seems to me that it would help a great deal in keeping the lists accurate."

"And something else for John to do," put in Smith. "I don't think much of the idea, but maybe it wouldn't be a bad thing to do, though it is not vitally important."

The following day the binder and the ledger sheets arrived, and Mamie started to post the ledger. Jefferson Bell was a much interested spectator of this new act, and examined the binder after the ledger leaves had been inserted between the index.

It again fell to Mamie's lot to tell Bell all about the latest new "wonder," as he insisted on calling it. Mamie carefully explained the advantages of the loose leaf system over the old bound ledger which Bell had used. She told how easy it was to look up an account; how, when the pages were filled, they could be taken out and put in a transfer binder, and new accounts opened up under the right index without disturbing the other accounts, and many other advantages.

Then she showed Bell how they were taking the old balances of the "accounts receivable," as found the first of the month, and putting these amounts under each separate account, giving a full sheet to each account, then from the cash journal posting each entry to the accounts in the ledger, carrying forward the balances as the entries were made, so that the balance could be ascertained in a moment.

Besides the accounts that showed how much money was owed the firm of Bell & Smith, accounts had been opened with the wholesale paper houses from which they bought goods, and now each invoice was not only entered on the cash journal, but also against each separate account, so that they could tell at any time just how much money they owed, also just how much they owed any certain firm; and at the end of the year they could see how much they had bought from any one concern. When the statements came in at the end of the month they could be checked with the account as shown by their ledger, and if correct, why, all right, they could be paid; if not, the matter could be looked into. Being few in number, these accounts, which she called "accounts payable," were not indexed, but were put under the index in the back of the book, so as to keep them separate from the "accounts receivable."

Jefferson Bell looked with much interest at the two pages of the People's Department Store and the Central Ohio Paper Company. He noticed that a special column had been ruled on the sheet for the department store with "No." written in, and in answer to his inquiry as to what that was for, Mamie carefully explained that it was for the purpose of putting in the number of the job or the advertisement so that reference could be made to it at once if any question came up. Putting in the number of the job made the thing more complete. The column headed "Fol." was meant to contain the number of the cash journal page from which the entry was made.

Jefferson Bell examined each carefully, then went back to his desk. "Well, friend of many years," he

said, taking up his old pen-holder, ink smeared and worn, "they have still left you with me, and as you have succeeded the goose quill of years ago, no doubt they will put something in your place, but as long as I have writing to do, you will remain with me."

Turning to a newspaper he glanced at an advertisement for a new kind of a typewriter that could be carried around, and which was described as just the thing for writers, editors, etc.

That was too much for Jefferson Bell, so he took his hat and went out into the fresh air and down Main street.



Expenses



IX

EXPENSES

WELL, how's everybody and every little thing! Great guns! What have you people done while I've been away? This is a terrible shock, why didn't you prepare me for it? I say that this is now a real print shop, and laid out to perfection. Who ever told you to do it? Hello, Bell, how's the brainy part of the concern? Heard you took in Smith here as partner. Pretty good thing to do. But, keep that man Smith busy. Is he still writing things in that little book of his? Great guns, I have to keep track of my expenses and send in an expense account. The old man calls it a swindle sheet. But John gets me—he doesn't have to keep track of the money he spends, and yet he has it all down in that little black book, even to that nickel cigar he gave me last time I was here —let's see, that must be about four or five months ago. My, how time does go. And who have we over here? Another addition to the force? Well, she is some improvement over the rest of the gang, and perhaps she can keep you straight—you fellows need somebody like that. How are you anyway?"

Every country printer will at once recognize the one who thus speaks. It is—why, yes,—the salesman

for the paper house, or the typefoundry, or the ready print or plate house. In this case it was Mac. Not one publisher in twenty knew his full name, but all knew him as just Mac. He had business cards with the word "Mac" printed in forty-eight point type in the center of the card, and down in the corner "Type" or "Ready Prints," or something like that.

Reference to Mamie led to introductions, and then Mac went on talking.

"Glad to know that you are improving things, and got some one to keep your books. Seems as if printers all over the country are taking more interest in book-keeping. But that was to be expected from Smith here. Well, so long, Bell, be good. Give my regards to everybody down the street, and tell Mrs. Bell I still remember her and that apple pie she fed me three years ago. Great guns, it's hard, this eating at hotels all the time. Good bye, Mamie, and take care of yourself. Awful glad you are with the gang—they need you badly. See you in the morning."

As he was about to leave the office Mac caught sight of Smith's face, and turning to him said, "What's the matter, Smith, you look worried. Why don't you be like me, never worry over anything except whether the old man will O. K. the last expense book. Come on to supper with me, and forget your troubles."

"Your only worry, Mac," Smith said, "is just what is worrying me. You know that Mr. Bell never kept track of his expenses and didn't know what he was doing. We have been going over a month now, and I have just figured up the expenses and it certainly

surprised me, to say the least, and I am glad you are here, because you ought to have some idea of what it costs to run a plant like this, and I wish you would look over this list of expenses and let me know what you think of it."

On a slip of paper, written in John's careful penmanship, was the following:

EXPENSES FOR NOVEMBER

Rent	\$ 10.00
Light and power	3.40
Insurance, 1 year	21.50
Sam Adams, bad account	3.35
Postage stamps	1.80
Telephone	2.50
Long distance calls90
Pay roll: J. Bell	72.00
J. Smith	70.00
Tramp printer	2.00
Mamie	24.00
Office stationery: Books	13.50
Billheads95
Letterheads	1.30
Envelopes85
Subscription cards	2.50
Stock for bills for church entertainment	.45
Plate	4.20
W. C. T. U. tickets	1.00
Towels and soap65
Express, plate and stock	2.25
Carried forward	\$239.10

Brought forward	\$239.10
Freight and drayage	6.15
Interest on note at bank	6.00
Oil and gasoline	2.80
Twine and paste90
Rollers for jobber	1.50
Four issues, <i>Banner</i>	28.90
Postage, <i>Banner</i>	2.70
Balance on street sprinkling	1.65
Coal	3.95
News and job ink	2.80
Pencils50
Peterson, lino. border	3.10
Gauge pins	3.10
3 suppers—Mamie90
Thanksgiving turkey—Mamie	1.25
Bell, carfare to Alden, Ohio	2.40
<hr/>	
Total	\$305.20

"I hope you haven't shown this to Bell. It would be an awful shock to him to think that over three hundred dollars in perfectly good money could possibly be spent in one month. That's a lot of money, Smith, more than you and I ever thought was in the world—and all for expenses. If I ever sent in an expense like that, a wire to come in would greet me as soon as the old man could recover from the shock and be able to send it to me. Now, let's say we are the old man going over my expense account, and see what this expense account is, if it is too much, or if anything is wrong.

"Hum, rent, well that has to be paid, and so does power and light, if you've got to run. Insurance, sure, because you may need the money if you burn out, and we want to sell you something to replace that which has been consumed by the angry flames. But all one year's insurance in one chunk is going some. Still, it must be paid, so in it goes in one chunk.

"You're the same old Smith. If you don't get it, why it's a loss. Adams doesn't pay up, so it's an expense. Quite right. That's the way we do at the home office. So much each month to cover what printers should pay but don't. Only you make it a direct charge in the one instance. Nothing like a gentle reminder. Bad accounts will occur.

"Too much calling up on the long distance. Cut it out next month, got to keep down expense. Oh, had to get the news about the convention for the paper. All right this time, then.

"Well, look who's here! A real pay roll in a country print shop, and honest to goodness salaries paid! Shake, old man, that is one expense item that is O. K. Only kick is that it isn't large enough. All right for you and Bell, but boost Mamie a bit. You dubs get too much anyway. Perhaps not, you are just owners, remember, and it is a new thing for owners to get a salary, so perhaps I am wrong about your getting too much. Live better, and get more. All right, just as you say, you might not be able to afford more, but try it.

"Office stationery! A real live print shop with plenty of stationery. Hurrah for Bell & Smith! Printed

in three colors, too, I bet! No sir, just in good black ink, and gothic type, neat and nice. Another revolution! But why only the paper stock? Why not the full price? It took some of your time to print it. Oh, you did it after hours. Did you draw overtime? No! Well, that makes no difference, you are too cheap for yourself.

"Subscription cards! Something new, let's see them. Fine and dandy! Give me some for the boys, as a lot of them have been asking for something of the kind. Send it to *The Inland Printer* so they can print it and let the rest of the publishers know about it.

"And what is this 45 cents? Printed some bills for a church entertainment, eh? Charge only the paper? Wrong again, Smith. I am surprised at you. If I eat a 15-cent lunch, I put down 35 cents for a square meal—worth the 20 cents to eat the lunch. If those bills were worth \$1.50, which you would have charged the ladies had they paid for them, that should be the amount, not the 45 cents. At that, not one other printer in a thousand but John Smith would think of putting down even the 45 cents.

"Too much plate, John. Set more type, and keep down this expense. And then those tickets for the W. C. T. U. Wait till the country goes dry and then you will regret this expense. Don't think it will, you say. Don't count on that—it might.

"The dear old office towel! It cost 65 cents, including the soap. John, swipe the soap from the hotel, and ask Mamie to wash the towel. Save this expense.

"Great guns, but these railroads are terrible! Too much for freight and express, but what are we to do

in these times with the railroads having us by the throat? Some day we will have government ownership and half the freight rate. Save just \$4 a month then. What, you think that rot? Oh, well, you are not a deep thinker, but you wait—no booze and government ownership of railroads—that's my platform. Please don't laugh, John, this checking of expense account is serious business.

"Got to have oil and gasoline, but use more lye on your type, it's cheaper, even if it does hurt your little hands. Then you have twine and paste. Paste for Bell, and a string on—no I mean string to tie up the jobs with and to wrap packages. Too much string, save it by putting the string in neat little balls, and hanging on a nail. A dollar's worth of time to save 10 cents worth of string, but time never costs anything in a print shop—so save the string.

"Rollers for the jobbers. Allow me to congratulate you on at last getting some rollers for that jobber so you can print with them. Oh, that's only a joke; I know you always had good rollers, but so many printers use the same rollers year in and year out, I could not help making that remark.

"Four issues of the *Banner*, \$28.90! What for? Oh, the paper in it, and other things. Great guns, does it cost that much to print the paper? And more, yet. Postage, \$2.70. Uncle Sam is getting as bad as the railroads. Let's have the railroad own the postoffice, and cut the postage rate in two. How about that?

"No dust, please. Finally paid up old Jerry, so he can buy feed for those spavined horses of his that

can just draw around that sprinkling wagon. Great guns, but Jerry has been on that job a long time. Too much for the job. Get him to cut the price or you go out of town for your sprinkling in the future.

"The coal barons have you, also. Oh, these trusts! Just think how much money we would have if we could only get everything from the trusts and then pay them only one-fourth what they charge. I'm against the trusts. Who said we were a trust? Nothing doing, we have competition. Who are they? Let them tell you—I never advertise the other fellow. Too busy advertising myself.

"Ink for the presses, and pencils for the editor. Must still have some of that quart of ink for the pen left. Nearly gone? Well, things just will go, won't they?

"Lino border and gauge pins. Why the expense for the border? Too much expense, cut out all borders in the future.

"Three suppers for Mamie. My, my, but you will have to learn how to properly make out expense accounts. That would never get by the old man. You ought to put it Misc. That stands for almost anything in an expense account. Why the suppers for Mamie? Oh, she had to work three nights, and living a distance out you had her go to the restaurant for her supper. Did you pay her anything extra for having to eat the suppers at that restaurant?

"Then you gave Mamie a nice Thanksgiving turkey. Good for you, only had it been me, it would have been a nice box of candy. Make it candy for Christmas—that's what girls like.

"Bell takes a trip to Alden, and you charge that up to expense. Business for the firm, eh? Well, guess that will pass.

"And those few items amount to \$305.20. What do you think of that? And outside of one or two criticisms I have made, it seems to be all right, except, where do I come in?

"Not one cent for me. How about your plant wearing out, and having to replace it? I heard a fellow at a press convention in Minnesota a while ago talk depreciation, and he said you should charge ten per cent a year for wear and tear on your machinery, so that you could buy new machinery at the end of ten years—and new type also, as well as anything in the shop. That sounded good to us boys, and we know that if the printers had been doing this we could sell a lot of them new things they ought to have right now. John, if you love me, put this in each month so I can sell you the press you have been talking about so long that you would like to print your paper on.

"Great guns, John, I am surprised at you! Here you have been keeping your money in the bank and making them pay you interest, and now you have taken the money out of the bank and have forgotten to charge interest for it. I skipped that item of interest you paid the bank last month, and expected to see where you had credited Bell & Smith with interest that was coming to them for what they had invested in this plant.

"There's your expense account, old man. Draw yourself a check for it, and then start another one.

"Come on to supper. This is one you won't have to put down on any expense account, for I am going to do the deed. Don't worry, you will pay for it just the same. The house keeps track of all these little expenses of mine very nicely, and they all enter into the expense of doing business, and the printer pays the bill in the end, just as the people who buy your paper, your advertising and your jobwork must in the end pay for all those expenses. Ever think of that? Well, do, but forget it for the time being, and let's go and eat.

"Great guns, but I am hungry!"

Losses

X LOSSES

WE CAN tear off several months from the calendar of the year, bid Christmas good cheer, say "nello" to the year 1912, and feel the air of the spring time, and finally early summer or late spring, as we wish. It is the middle of June, and we can take a peek through the open door of the shop of the *Bladon Banner* and see what is going on. Our old friends are all there—John, Mamie and Jefferson Bell—but four more are busily at work, the job presses are going at top speed, and John and another man are working at the cases. Something must have happened? We look again, and then as we turn away we notice a man coming up the street with a confident swing to his step.

"What's all the business? You certainly have put on some speed here. Must be making a lot of money to keep this bunch paid off. Wear out the type and presses as fast as you want to—we have lots more for sale. Guess you are too busy to talk to me now, see you after supper, John. Guess I will have to talk to Mr. Bell a minute."

"I am always glad to see you, Mr. Mac," Bell said in his slow manner. "Some way you bring in an air of vigor and a spirit of refreshment, and we all feel

better for your coming—even if it usually costs us money."

"Say, Mr. Bell, you said a whole lot that time. Thanks for the kind words, and thanks for the order later. You fellows must be getting a lot of business."

"Yes, we are very busy," Bell replied. "John thought that with the machinery we had we could do a lot more work, so he began to send out circulars and solicit job printing in the neighboring towns, and we have a lot of printing from all over the county, even some from Columbus. You know John is a good printer, and the buyers of printing seem anxious to have us do their work. We finished a big catalogue for the machine company at Blayton, and they seem very much pleased with it and have sent us a lot more work."

"I heard from some of the other printers in the county you were after the work, and was just wondering how you were coming along—and so were they."

"Just what do you mean, Mac?"

"Oh, I don't know, but the other printers seem to think you are doing a lot of printing at prices they don't want to do it for. But, I guess John knows what he is doing."

"Well, Mac," Mr. Bell said hesitatingly, "I am not so sure, and I don't blame Smith altogether. We are doing a lot of work, but some way John doesn't seem to be satisfied. I don't understand this profit and loss, expense, costs, unfinished work, and a lot of other things that John is continually talking about. I know he is working too hard, and seemingly we have no more money than before. I don't just understand all

about this bookkeeping matter, but perhaps John will be able to tell you more about it. John has a lot of confidence in you, and said yesterday he wished you would soon show up, as he wanted to talk some things over with you."

Mac pulled up a chair and sat puffing at his cigar, and though it might appear that he was not taking note of a single thing going on in the office, yet as a matter of fact he was taking a very careful and complete survey of the situation, and turning over in his mind just what was going on. Oh, that publishers and printers over the country would just let the "Mac" that calls on them tell them just what is the matter with their business, instead of refusing to profit by the fresh outlook of the man on the outside! But the "Macs" know well enough not to give advice when it is not asked for, and while they see a business going to wreck, they must, through the ethics of their profession, keep a still mouth, except to the "head of the house," who begins to watch very closely the account of the concern which is under suspicion.

John Smith was not one of the kind who thought he knew it all, but was ready to listen to the advice of the other fellow once in a while. In fact, listening to the advice of the other fellow was the cause of the increase in business and the awakening of the print shop to life.

The day's work at an end, John and Mac go out for supper, then back to the printing office, where they talk over the business.

"Well, John," Mac started in, "it doesn't look as though you have cut down any expenses. The last

time I was here you were worrying about them and now you must have a bunch more. Why all the business and the expenses?"

"That is just what I want to talk to you about," said John as he went to Mamie's desk, took out a sheet of paper and laid it before Mac.

"Say, what is all this, anyway?" Mac finally asked. "Here you have the months of November, December, January, February, March, April and May, with a lot of figures under each. Explain, John, I am no mind reader, nor am I good at puzzles. What is this one here? Under November it says, total business, \$452.35; merchandise used, \$131.14; expenses, \$316.04; profit, \$5.15; depreciation, \$38.29; interest, \$22.97; actual loss, \$56.11. Why the profit and then the loss?"

"It means," Smith replied, "that if I didn't figure anything for the wear and tear on the machinery, or any interest on the money we have invested, we made the sum of \$5.15 in the month of November, over and above our salaries. But, if I figured depreciation and interest, we lost \$56.11. Look at December."

"Total business, \$684.15. That is a gain of almost fifty per cent. Pretty good."

"Yes, I got out a special Christmas edition, and got a lot of advertising. Hired a printer to help out, and Mamie and I worked nights to get out the edition. Bell also worked nights, so I charged to expense the overtime for all of us and the cost of the extra printer. Couldn't see where working overtime would make us a profit unless we were paid for it, so counted it as salary. Now read the rest of it."

"Hum! Expenses, \$448.46; paper, \$227.36; profit, \$8.33. Not much profit. Did you count in your interest, and what's that other—oh yes, depreciation?"

"That's the worst of it, neither of those is in the expenses, although I did put in the extra pay we were all entitled to. Now look at January."

"Business, \$534.17; expenses, \$406.38; paper, \$132.16; loss, \$4.37. How about that?"

"When we got out the Christmas edition the office was in bad shape with a lot of type standing and an accumulation of jobwork, so I had to keep the printer. I talked with the cashier about the loss each month, and he said that we were not doing business enough, and he was the one who suggested the Christmas edition. He had seen one put out last year by another paper, and he thought we could make some money on one. Just then in dropped the printer looking for work, and so we went at it. Several of our advertisers are now kicking and want to pull out some of their ads. because they spent so much on the Christmas edition.

"After we got that out we talked the matter over, and I showed him the expense account for December. After going over it he showed me where the expense of the printer was but little more, and that with the other expenses the same, we could do twice the amount of jobwork we were doing and make some money, and get the expense account so we could include the interest and depreciation, yet show a profit."

"This is getting interesting, John. Go ahead with the rest of the story, without these everlasting figures of yours."

"No, look them over, and tell me what you think of them."

"Think! I simply can't think. Every month you show more business, and yet the expenses keep coming on right up all the time, and while the profits are just a little larger each month, yet they are not enough to cover the interest and depreciation. What did you do, raise salaries, or what?"

"Well, here is what happened, as far as I can see it now. What the end will be, I don't know. When we got the printer to stay, I found that with the increased jobwork I did not have time enough to run the presses, so I hired a boy to feed one of the presses while I did something else and worked on the paper. I guess I was careless, and did not read the proofs well, but anyway we spoiled a job with \$60 worth of paper, and had to do it all over, and work nights too. That taught me a lesson, so I got a girl to do folding and work on the presses, and I took more time for proofreading and other things, such as cutting stock and looking after details."

"Say, where did you get all this work, that's what I want to know."

"The cashier put me wise to a scheme, and I printed up some samples of letterheads and things with prices on them, and sent out some blotters to nearby towns soliciting work. I got a few orders, but the best result was the receipt of a request for prices from the Blayton Machinery Company. The cashier said he knew the president, so he wrote a letter saying we could do a lot of work and perhaps save him money, as our expenses were light, and asked him to give us a chance.

We got a lot of forms to figure on, and by combining some of them and finding out that some were reprinted every few months, I figured the prices right, and the boy feeding the press made the presswork low. The president was so pleased that he sent us most of his orders, saying if we could do as well by him in the future we could get a chance at all his printing, which was a big item each month.

"We went to work on the printing, and it was all right except for one thing, which was unfortunate, and will never happen again. On one job I forgot to look on the back, and did not figure on printing both sides. The sample was printed on both sides, so I had to do it. On another job I figured only half enough stock, and it cost \$32.14 more for the stock than I figured. I will be more careful in the future, but it occurred on another job for the same people. We started in to print it and found we had only half enough paper, and had to have the rest sent by express.

"These things account for some of the losses. But we got a chance to print one of their small catalogues, and the printer said he had done that kind of work, and we could get the type set on machines in Columbus, make up the forms here and print the job on the cylinder. We spent two days figuring the job and getting prices on the typesetting. The president of the machinery company said we were a bit high, but if we cut the price \$35 we could have the order.

"I didn't want to do it, but the printer and the cashier talked me into it by saying it would be a big ad. for us, and our expenses would be just about the same anyway, and we would make all above the cost

of the paper and the typesetting. So I cut the price, and the president said he was very glad I did so, as he really wanted to give me the job.

"It took about twice as long to do the job as I thought, and we had to borrow some money from the bank to pay for the paper and the typesetting before we finished the book and could get our money—and pay them interest. They made a lot of changes which ran up the cost of the typesetting, and then they refused to pay for the extras, saying they were giving us a lot of work and it took only a short time to make them anyway, also they never had to pay for such things from any other printer.

"I was terribly surprised when I finished adding up the expenses for May and found we had lost \$106.15, even with the catalogue and all the jobwork figured in. Of course the other months showed a loss because we were working on the catalogue.

"I don't know what to make of it all. Guess the darn printing business is no good. I sometimes wish I had never gone into it. I first worked for Bell, and had a dickens of a time getting my money from him, and then when I took a half ownership I found the business losing money and not even paying interest on the money invested. Then I have a chance to increase the business, get out a special advertising number of the *Banner* with a lot of advertisements, get out a catalogue, work harder than I ever did before, draw no more money, and yet the confounded bookkeeping system shows that the expenses are greater than the gross profits.

"The cashier and I have fought over this until we hardly speak any more. In one breath he says our expenses are too much, and then in the next he says we are not doing enough business and that we should go out and get more. I do. I send out circulars, go over to Blayton and get a lot of work, work harder than ever, and yet Mamie and her cash book journal show a loss."

"Gee, gosh," Mac exclaimed, "to think of so much trouble in a set of figures. John, that's what you get for wanting to have figures on everything. The happy printers I know of are those that have no books, never know how much business they are doing, send in checks to pay their bills, and then have the banks telephone them to come over with some cash or they will have to protest the checks. Now, Jefferson Bell was happy for years, until the bank came in and wanted money and you wanted your money. Then you framed it up to take a half interest in the shop with all the troubles connected with it and go into business with him. What's the answer, John? Can you give it?

"No, I can't, and that's what is worrying me. The books are right. We are losing money. Yet we are doing more business than ever, and each month the loss is larger. We manage to get by because we are only drawing our salaries, but every time I think of the money invested in this plant, and that we are not getting a cent return, when I could still be drawing good wages and the bank or somebody else only too glad to pay me good interest on my money, it makes me sore. I have saved for years, kept track of every cent, and worked hard, and so has Jefferson Bell, yet all we get

out of it is the wages we would pay any printer to work for us. To hell with the printing business."

"And you only six months or so in it, and ready to say such naughty things about it. John, I'm ashamed of you!"

"Well, if you're so smart and think the printing business is all right—just go ahead and tell me how to make a profit in this business."

"Not tonight, John, not tonight! Let's go over and shoot a few games of pool, and then go to bed. Tomorrow is Sunday and we will come down to the office and talk this thing all over. John, you are a good fellow, even though you worry about figures, and a lot of mean things said about you by printers in the county and in Blayton can be taken back. But, don't worry. I'll spot you ten points and beat you. What do you say?"

Profits

XI

PROFITS

THERE was something the matter and it worried the cashier. For months he had taken a deep interest in the business of the *Banner*, and in his two friends, and had given them his best advice, viewed from the standpoint of a banker and merchant, and then suddenly his advice was asked for no longer, and a distinct coldness toward him was evidenced in the manner of both Smith and Bell. John Smith hardly spoke to him, and Jefferson Bell renewed the attitude of hostility which he displayed when the bank closed down upon him and protested one of his checks. Other things happened that made the cashier a little peeved, and he stopped going to the printing office, although something seemed to pull him toward the place, and he missed keenly the confidences and chats he used to have with Smith, to say nothing of the little pleasantries passed between him and Mamie.

He noticed that in June John Smith attended a meeting of publishers in the county seat, but he paid little attention to the event at the time. It seemed that they had formed a county organization, and he was just on the point of going over and telling Smith he thought that was a good scheme, when Jefferson

Bell came in with his monthly bill. During the month the bank had run the usual "Statement of Condition," which was required by the State law. He glanced at the bill, and noticed that the *Banner* had charged the bank \$5 instead of the usual \$3 that had been charged for years.

Evidently Bell had been expecting some protest, for before the cashier could say anything Bell started to explain.

"At the meeting of the county publishers," Bell said, "the matter of charging for bank statements was taken up, and it was found that not all papers were charging the same. After a lot of discussion it was decided that \$5 was the only profitable rate for printing such notices, and we will hereafter have to charge the bank that amount."

"The dickens you say! So you have formed a trust, eh?"

"No, not exactly that," Bell hastened to say, "but as other classes of business get together and talk over things, the publishers of this county have decided to do the same thing, and while we are not compelled to charge \$5, yet as other papers in the county get the price we might just as well."

"Well, I'll pay you the regular \$3 and no more."

"I am sorry, but the law compels you to print the statement, and as \$5 is a very moderate amount, we believe you had better pay. And another thing, we find it necessary to raise our advertising rates in a few instances, and instead of \$1.50 a month for the bank advertisement, you will be charged \$2.50 hereafter."

"Is that so! Please take the ad. out. You can't gouge me like that."

By this time the cashier was just a little bit peeved, if not angry. To his surprise, Bell simply smiled, and looked at him.

"I think you will change your mind," he said, "when you think the matter over seriously. You know Smith and you have not settled up on certain transactions yet, and while we hate to refer to such things, don't you think you had better keep the ad. in? Besides, what would the people of the town and the people of the county think when your ad. failed to appear? Just think again."

Never before had Bell talked to the cashier in that tone of voice, and strange to say, the cashier's attitude changed immediately. He reluctantly told Bell to keep the ad. going, although it was highway robbery, and some other things.

"In that case the advertisement will not appear next week, and should you wish to advertise again, it will be under contract, and the rate will be just double what you are paying. Good day!"

What was the meaning of all this? The cashier could not understand, and for several days he puzzled over it, but when the next issue of the *Banner* appeared the bank advertisement was missing.

Never did the cashier read a copy of the *Banner* as diligently as that one. Glancing at the editorial page he read an announcement that on August 1 the subscription price of the *Banner* would be \$1.50 a year; that those in arrears would have to pay up before then or the paper would be discontinued; that here-

after the paper would only be sent to those who paid in advance, and that thirty days after the expiration the paper would be stopped, or in other words, the subscribers had thirty days' grace.

The manager of the People's store came into the bank just then, and seeing the cashier reading the paper, he proceeded to say some things he had on his mind.

"What has got into those fellows, anyway? Are they crazy? They notified us a week ago that the advertising rate would be 5 cents an inch more, and I told them to cut out our ad. Now, look at what they've done!"

Taking the paper he turned to page 8, the back page, and seeing a half page advertisement of a store from the town only four miles away, he showed it to the cashier. Just one glance was enough, when the cashier noted another advertisement of an insurance agency in the neighboring town advertising insurance and also loans on real estate. In fact they found several advertisements that had not appeared before in the *Banner*.

"Looks as though they meant business," the cashier said, "and it is up to us to find out what it's all about."

Just then they noticed Bell going by, and the cashier called him in.

"What do you fellows mean, anyway? You raise the price and then get advertisements from other cities. Are you trying to ruin the town?"

"No, gentlemen," Jefferson Bell said, "but we have decided to run the *Banner* on strictly business lines. If you do not wish to pay our prices, we find that others

will. You send out of town for your printing—oh, yes you do! How about those ten thousand statements you just got in Columbus, and those twenty-five thousand deposit slips you got from Indianapolis? Don't talk about hurting the town, when you buy out of town! If others are willing to advertise with us, and pay our prices, I can see no reason why you should object. If you wish to advertise, here is our rate card."

To think that Jefferson Bell should talk thus! The men could hardly believe it, and when they had somewhat recovered, Jefferson Bell had gone out of the door and slammed it after him.

Of course they meant to advertise, and discontinuing the advertisements had been just a protest at the new rates, and was not meant entirely seriously. They could not afford to have others advertise and have the people of Bladon asking why they did not, nor could they afford to have the store of the town four miles away carry half page advertisements. They were not serious, and the matter would be fixed up right away. This could not continue at any price.

Nevertheless, although both the bank and the store at once resumed their advertising, the store taking larger space than before, and the store four miles away discontinuing its advertising, the cashier still was worried, as neither Smith nor Bell seemed willing to get back on the old footing that existed some months before.

When the cashier was over in Blayton on some business, he happened to meet the president of the concern for whom the *Banner* had been doing a lot of work.

"You are just the fellow I want to see," the president said. "What has got into your printer friends over in your town? They used to do a lot of work for us, and now their prices are higher than some of the other printers'. I wanted to do business with them. We saved \$200 on our catalogue, and they came down \$35 on the price when I asked a reduction. Some of their prices showed up other printers badly. They certainly knew how to figure right. But now they put in prices all out of reason, and while their work is very satisfactory, and they are very reasonable about correcting mistakes and printing things over that are not exactly right, they charge terrible prices. At that I am giving them some work, but not nearly as much as I used to and it is getting less each month, and I am afraid I will have to quit them altogether unless they make better prices. Can't you see them and explain to them that if they keep on they will soon lose all our business?"

"Don't ask me to say anything to them. They have raised their advertising rates, and subscription rates, and hardly speak to me. I have troubles of my own."

On his return, the cashier decided that he must find out what it was all about. He happened to be charging some checks to the account of Bell & Smith, and noticed that they had a much larger balance than before. If their bank account was an indication, they were evidently making money.

That night the cashier suggested to his sister Lucy that they had not had Mamie and her mother over to tea for a long time, and it might be a good plan to have them come soon. A week later Mamie and her

mother were the guests of the cashier and his sister, and after supper, the cashier took the chance of asking Mamie how business was at the office, and thus lead to things uppermost in his mind.

"Oh, things are just fine with us, now," Mamie said with a faint smile on her lips.

"I am glad to hear that," he said, "but what seems to be the matter with Smith and Bell? They hardly speak to me, and some things seem very queer."

"You mustn't talk about things in the shop, as that isn't right, is it?"

"Well, perhaps to others, but you know I have always been interested in the *Banner*, and helped them with the bookkeeping system, and then all of a sudden things have changed."

"Yes," Mamie assented, "things have changed, and it looks this time as though it is for the better. But, really, I can't say a thing about it. Why don't you ask Mr. Bell or Mr. Smith?"

Despite everything he could say, Mamie would tell nothing, and at last it was time to go. The cashier decided that he would take one more chance and take Mamie and her mother home, and then perhaps he would have another opportunity to find out just what had happened.

Their way lay along Main street, and as they went along they noticed that lights were burning in the printing office.

"Oh, Mr. Bell must be there," Mamie exclaimed, "let's go over and see him. Come on, don't be afraid, maybe he will relieve your curiosity, if you want to know about the *Banner*."

Inside, they found not only Mr. Bell, but John Smith who was listening very attentively to something Jefferson was reading.

"Come on in, folks," said Mr. Bell, "and make yourselves at home. It's been a long time since the cashier visited us on an evening."

"Yes," the cashier said, "and it's about time for us to get back on our old footing, and clear up the troubles."

At this John Smith got off his chair and started to go to the back part of the shop.

"Oh, Mr. Smith," Mamie exclaimed, "I am sure it is all a mistake and can be explained if you will tell just what you have discovered."

"Come on, John," Bell said, "the cashier perhaps was not to blame, and maybe after he has heard our part of the story he will see that we have done just right."

"This thing is getting interesting as the dickens," the cashier exclaimed, "and I'd certainly like to know what has happened and why you are so sore at me. I admit I hated to pay you \$5 for the bank statement, and the raise in advertising rates, but let's forget that, and talk things over."

"Read them the paper you have just read me," said John turning around to the group, "that will probably tell them more than anything else."

"All right," replied Jefferson. "This is the first draft of a paper that I have prepared and am going to read at the fall meeting of the Ohio Press Association at Delphos, and I'd like to have your opinion of it."

Then the four listened without comment while Bell read until the end.

"Well," the cashier said, when Bell had finished, "I don't know that I agree with you, but it certainly looks as if you have solved the problem of making a profit in the printing business, and while I will have to help pay some of that profit, I want you to feel I always did what I thought was for the best, and if my advice in the past was not right, I am going to stand by you anyway."

A lump rose in John Smith's throat, and he stepped forward and took the cashier's hand. Words were not needed.

Later, the cashier and Mamie talked, as Mamie's mother had preceded them to the house, but that was only for the moon and the gate to hear. It is none of our business.

Prosperity

XII

PROSPERITY

THE members of the Ohio Editorial Association were in session at Delphos, Ohio, Tuesday, June 16, 1913. There were present some thirty newspaper men, and the usual number of supply salesmen—about equal parts. The previous day's session had been taken up by a talk on the cost system by a cost expert, and among those who listened very intently was Jefferson Bell—especially so, when he heard that the workmen were supposed to make out daily time reports and keep time on everything they did. A smile spread over his countenance, and he settled back into his seat with an air of satisfaction.

The chairman announced the next paper, and said: "Gentlemen, we will now hear a paper on 'Making a Printing Office Pay,' by Mr. Jefferson Bell, of Bladon. It is not necessary for me to introduce Mr. Bell, but I think he has a message we will all want to hear, as I recently visited his plant and saw there something that opened my eyes. That is why Mr. Bell has been asked to address us upon the subject assigned."

Jefferson Bell fumbled around in his pocket, and finally drew forth some sheets of paper from his inside coat pocket, advanced to the platform and then

in a clear voice, easily heard by every one present, read as follows:

"Brother editors and publishers, I feel somewhat at a disadvantage in addressing you upon the subject assigned, as it has to do with accounting, business methods, and other things which two or three years ago I was unfamiliar with. I am a country editor, and proud of it, and having read all the jokes about the unbusinesslike methods of a country editor, you know full well what I mean.

"But, you do not want to listen to praises of country editors, nor do you want to hear about their great influence for good, and how they in some way control the minds of the people and sway their ideas, or any of the other old stuff which is sometimes told us by those who wish to flatter us for their own purposes.

"On the other hand, the country publisher has never been a business man, and if in some way he could meet his bills, manage to get the 'insides' out of the express office, and pay the help on Saturday night, he supposed that he was making some money.

"Two years ago I suddenly realized that I was not making money and never would make money, and that if something was not done quickly I might lose the results of many years of hard work. I was not the type of man to go into the matter deeply and find out why, as I am a country editor, and would rather write an editorial than add a column of figures.

"Those of us who write can at least think, and

we can get others to accomplish things we find out we are not suited to do.

"When the idea struck me that something must be done, I thought of the man who had been with me for years, and he impressed me as the man who, if I were to take him into partnership, would take a load off my mind, and also might help to place the *Banner* among the few papers that were making some money.

"This was accomplished. In a few days John Smith became my partner, and to him I assigned all the business details, thus being able to devote more of my time to the newspaper. But, not for one instant did I neglect to take an interest in the business affairs, and consult with my partner. It is by co-operation that we can attain the ends sought for, and I believe the spirit of cooperation of my partner and myself has as much to do with our success as anything else. If things went wrong we did not blame one another, but sought for the solution. As a result, I believe that the *Banner* is one of the few papers in Ohio today that is making real money and can prove it.

"The method of keeping books under the old way was discovered to be inadequate, and with the help and advice of the cashier of the bank we installed a cashbook journal and loose leaf ledger, and also adopted some other methods which help to keep the business in a more orderly fashion. Among these was a new advertising record system which has saved us many dollars, not only in time, but in avoiding wrong insertions, running adver-

tisements past their time, and other things. Also a job ticket to keep track of our jobwork, and a card index for subscriptions and a subscription register. These take time to keep up, but they save time in the end.

"But the cashbook journal was the great thing in our printing plant, and we discovered something not thought of at first.

"I want to say again that I am not an accountant or a bookkeeper, so I may use wrong terms, but I will try to explain just what the cashbook journal enabled us to find out about our business.

"At the end of the first month, when the book was balanced, we discovered that we had lost a few dollars—that our income was not as large as our expenses. How we found this out is very easily explained.

"The cashbook journal has the usual column for cash, bank account and merchandise, and some others, but it had a set of columns called expense. This was the column that enabled us to make the discovery.

"In some way we subtracted from the total price of the job, or the newspaper, the cost of the stock, plates, or anything else that was not labor, and then the difference we put in the left hand column of the expense account. This really represented what might be termed profit, but not all profit, because all the expenses we had for the month or year had to be deducted from that amount.

"The left hand column took care of all those expenses, and when the girl who kept the book said our expenses were over \$300 for a month, and were more than our profits, so that we showed a loss, I was nearly

thunderstruck. Yet, despite a careful checking up, it had cost that much to do business.

"Then we discovered another expense we had overlooked. My partner had invested money in the plant, and naturally wanted some interest for his money, such as he had been getting from the bank. I had never thought of that. We added that amount to the total expense for the month, and had an even bigger loss.

"The second month was not much better, and then we decided something must be done as we were not taking in money enough. The bank cashier said we were not doing enough business. I could not see that, as we were all busy, had a good circulation, and nearly every merchant advertised with us.

"Then he showed where by doing some more business, with no more expense, we could make up the deficit. It did not convince me, but my partner, who had charge of the mechanical end of the business, seemed determined, so we went after more business, got out a special Christmas edition, and went out of town for work.

"Getting more business was all right, but we found we were also getting more trouble. We had to hire extra help, and these extra hands spoiled work for us, and did not do any more work than necessary. The cashbook journal was on the job, and each month showed that we were but little better off than before, despite the additional business.

"It looked for a while like a failure, but I let matters run for a time and then had a talk with my partner. Some way he seemed to agree with me, and he

saw that while he was working harder we were no better off than before. The advice of the cashier had been wrong as we followed it out. He could see nothing but volume, and the cashbook journal recorded the volume, but also recorded the losses.

"The best thing we ever did in our county was when we formed a press association. There should be one in every county in the country.

"My partner did not think much of it, but as I was very busy, I urged him to go. He was surprised to find at the meeting that we had been taking work from others, and making them come down in price to meet some of our prices, and that instead of helping ourselves we were injuring the rest of the publishers in the county.

"We discovered that others were getting \$5 for bank statements, while we were getting only \$3. Only two papers in the county were getting \$1 a year, and we were one of the two. And we discovered a lot of other things.

"When my partner returned we spent one whole day talking the matter over; then I suddenly realized that the cashier was right, but we had applied his ideas in the wrong way.

"When I told my partner just what I had discovered he at once saw the point, but like many others blamed the cashier for not putting us right. I was sorry this occurred, but in the end I am sure things will come out all right.

"In a few minutes we had down in black and white just where our losses occurred, and why we did not make money.

"We were losing 50 cents on each subscriber, and this meant about \$500 a year, or about \$40 a month. That was more net profit than we had ever shown. Then the bank statement price and some other prices were added to the total, and we took the amount of business we had done the first two months; we had the cashbook journal, and discovered, as I had thought, we had done enough business, but had not taken in enough money for the business we had done.

"It has not taken us very long to right our methods of doing business, and today we are back to the old force in the *Banner* office. All the extra help is gone, we are now charging off something each month for interest on what we have invested in the plant, something for depreciation, we have advanced our own salaries a little, and each month we can see a profit in our business after paying all our expenses.

"This is a great discovery, and something that every country publisher should investigate. We all think we are making money, and sometimes we are led into a campaign for getting more business, when in reality we would find that we have enough business in our own territory or town if we were getting the right price for it.

"And the difference between the right price and the wrong price is not so very much either.

"Besides that, we have been able to keep track of our expenses, with little or no trouble, and we know that we have not spent too much money. Our depreciation account, which we put in the bank each month, is getting to be a nice sum, and in a short time we will

add a typesetting machine and possibly a new cylinder press and other equipment—and pay cash for it.

"As to raising the prices, it has not been so difficult; in fact it has been so easy we have just about been kicking ourselves, as might be said, that we did not raise our subscription price to \$1.50 long ago. Our advertising rates have been slightly increased, and after some complaints our advertisers are paying the new rates and thinking nothing of it.

"The bank cashier, I am sure, is pleased, as our bank balance is now larger than ever—which is the thing that usually pleases a bank cashier.

"That is my story. It is simple when one listens to it all, yet if it had been proposed, or I had thought what would have happened in the year and a half, I would have strenuously opposed putting in the cashbook journal. Now that it has happened, and I have discovered the reason for the lack of profits, I can only say that every newspaper, every printing office, should have some such system of keeping accounts, and then we would all be ready to listen to reason.

"The greatest drawback to the printing business is a lack of real bookkeeping knowledge. I am not a bookkeeper, and don't want to be one. I hate figures. I am a country newspaper man, but I am glad I have a partner who likes figures, who likes to have books kept, and as a result we are making some real money.

"Gentlemen, I thank you."

A few of those present clapped their hands when Bell finished, and then the chairman announced a speaker on the question, "Should church advertising be run free?"

As Jefferson Bell went to his seat, "Mac" came over and spoke to him.

"Mrs. Bell wants you on the long distance telephone," he said. "She seemed to be very much excited."

"Wonder what it can be," Bell exclaimed. "The plant must be burned down or something. Let's go."

In a few minutes they were at the hotel and had Mrs. Bell on the telephone. "Mac" stood outside the booth, anxiously awaiting the end of the conversation. He was running up in his mind just what machinery, type and other things Bell & Smith would need, and just about how much the total would be, and was beginning to worry about how much insurance they had carried, when Bell came out of the booth.

"Do you know what Smith and the cashier have done now?" Bell asked, with indignation plainly written on his face.

"For the love of Mike, what next!" Mac exclaimed, as he saw one fine order vanishing into thin air.

"Well, Mrs. Bell says that Smith and the cashier have married Lucy and Mamie, and have left town for two weeks, and are now in Niagara Falls."

"Say, wait a minute, let's get this right; who married who, and did they leap into the falls or into matrimony?"

Bell laughed, all the indignation gone.

"Oh, it is like this. John Smith has married Lucy, the cashier's sister, and to make the thing complete, and as the cashier would probably be without a house-keeper, he has married Mamie, and they have gone to

Niagara Falls and won't be back for a couple of weeks."

"What do you think of that!" Mac exclaimed. "Lucy could make the best lemon pies. Why didn't I think of that? Oh, well, who wants a traveling man, anyway? Say, what are you smiling at now, Bell?"

"Oh, I was just thinking. You know Smith put in that bookkeeping system and changed the office while I was away. Well, now is my chance! While he is gone, I am going to put in that cost system, and when he gets back he will have to keep time on every job, and do a lot more figuring. He likes to figure, so why not give him enough?"

Announcement

ANNOUNCEMENT

WHILE the story of John Smith's Bookkeeping has been very entertaining, bringing laughs, tears and an occasional heart throb, it also contains a great moral.

Printers and publishers have weathered the chaotic memorable period, marking their first attempt to gain fame and fortune from the printing industry, can look back and smile at the trials of Jefferson Bell. They will all agree that John Smith had the right idea.

The printer or publisher of to-day not having the simple systems which brought *The Bladon Banner* to the front, were perhaps very much interested in the results which John Smith attained.

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